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OPINION
GST: Adversely

COUNTRY FOCUS
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maritime gateway

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POSITIONED AMONG THE GLOBAL BEST

ABHIJIT PATI, CEO
VEDANTA LTD, JHARSUGUDA

BANGLADESH
EXPLORING TRANSSHIPMENT THROUGH INDIAN PORTS

Off late, Bangladesh trade had been struggling with increased lead time and cost while moving cargo through conventional routes. The country is now exploring smarter options, which will possibly reroute its cargo through Indian east coast ports

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Maritime reforms momentum should continue

Prime Minister Narendra Modi has returned to power for a second term riding a super-sized victory that handed over to him an even bigger mandate of 303 seats. Countries across the world including our immediate south east Asian neighbours expressed willingness to strengthen trade ties, while congratulating PM Modi for his consecutive sweeping victory. Going forward the industry has its fingers crossed as a lot remains to be done in addition to the continuation of reforms the government had initiated in its previous tenure. The recent Menon Economics report on Leading Maritime Capitals – 2019 has ranked Mumbai (the only Indian maritime city that appeared in the report) at 18th position among the 50 maritime cities covered in the report that assesses the maritime cities on five basic pillars – Shipping, Finance and Law, Maritime Technology, Ports and Logistics and Attractiveness and Competitiveness. Mumbai particularly fares badly on 'Ease of doing business' – the flagship initiative of the government, ranking at 45th position among the 50 cities.

In the next few weeks, GST is going to complete 2 years from its introduction. This 'one nation, one tax' system has put Indian lines at a disadvantage compared to foreign lines when carrying goods from a foreign destination into India.

The industry eagerly awaits the operationalisation of National Logistics Policy. But, certain age old issues still remain to be resolved. For instance, container train operators have long been requesting for a level playing field through certain amendments in the Concession Agreement signed with the Indian Railways.

However, there have been some landmark developments as well: Bangladesh is exploring to transship its third country exim cargo through India and if the deal goes through it will mark a new era in transhipment from east coast of India. The government is working with a renewed focus to set right the balance of trade, be it with Bangladesh, Nepal or China. Recently, Chinese President Xi Jinping mentioned that India and China should set up a new bilateral trade target of $100 billion by 2020.

The sun is shining on Asia, as Han Ning, Director at Drewry rightly observed, "Logistics providers in Asia will experience a very lucky period compared with the long-haul trades. Long-haul routes from ASEAN have stayed stable, other routes are losing market share and the only trade with remarkable growth is Far East–ASEAN."

Recently, Chinese President, Xi Jinping mentioned that India and China should set up a new bilateral trade target of $100 billion by 2020.

R Ramprasad
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ramprasad@gatewaymedia.in

SPEEDWAYS LOGISTICS PVT LTD

WHO WE ARE

We are a dedicated team working united for the past three generations. Commitment, dedication, patience and excellence resulting to a good service has always been our motto and that's the passion that drives us. We at Speedways welcome you to venture into a world where we define Logistics Supply Chain Management towards a whole new level.

WHAT WE DO

Speedways, providing complete logistics solution to our customers with a one window service station by enabling all services when it comes to executing the supply chain management system. From freight forwarding to transportation of laden containers to warehousing cargo and crane hiring to customs clearing, a customer generally gets all the solutions under various departments of our firm when it comes to logistics.

CUTTING EDGE

"The one who innovates is the one who leads". Leading the industry in its own ways, we at Speedways never focused on doing different things but dedicated ourselves to do things differently. Accepting challenges and crossing hurdles, we have done what was feared to be taken as a thought, from handling huge volume of cargo in one go from customers end to the port, we accomplished it all and still are working towards a future brighter than our past.

MISSION

Gaining mass success with a remarkable reputation built over the years in the sector, Speedways has now made its existence in Kolkata, Haldia, Vishakhapatnam and Raipur providing the best service to our customers at a competitive price.

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2. TRANSPORT OPERATOR
3. CLEARING
4. WAREHOUSING
5. CRANE

VISION

With the coming of Speedways Logistics PVT LTD, the company has now established its position in the industry providing "Total Logistics" solution with services provided for Transportation, Warehousing, Packaging, etc...

WHY SPEEDWAYS

Standing firm in the sector for about four decades, we have gained mass success and reputation standing on the pillars - GOOD SERVICE, RELIABILITY, TRUST, DEDICATION AND PROFESSIONALISM, experiencing the services, one does say - DEFINITELY SPEEDWAYS!!

WHO WE ARE

We are a dedicated team working united for the past three generations. Commitment, dedication, patience and excellence resulting to a good service has always been our motto and that's the passion that drives us. We at Speedways welcome you to venture into a world where we define Logistics Supply Chain Management towards a whole new level.

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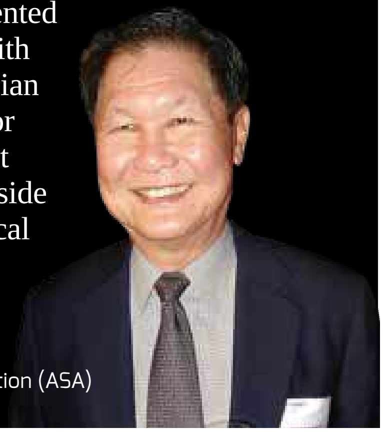
The Bureau of Indian Standards (BIS) is the bridge between international and the domestic standards, I am happy to see that the industry and CII are working towards bringing in standards in Logistics. We are happy to support this initiative in all possible ways.

- Surina Rajan
Director General of BIS

It is vital that the interests of Asian shipping, which controls an increasingly large proportion of the world fleet, are properly represented at the global level, especially with the increasing importance of Asian economies to overall demand for shipping services. It is of utmost importance that shipowners outside our region are fully aware of local developments that may affect their operations.

- Bhumindr Harinsuit
President, the Asian Shipowners' Association (ASA)



It is no coincidence that the massive growth in the global economy and thus the demand for maritime services that has been seen over the past 25 years has followed the WTO's establishment in 1995. Global maritime trade now exceeds 10 billion tons of cargo a year, but the efficiency of the shipping sector is dependent on a rules based trading system. This requires the negotiation and adherence to multilateral trade agreements under the auspices of the WTO.

- Simon Bennett
Deputy Secretary General
International Chamber of Shipping (ICS)

e-Navigation doesn't just benefit navigators, it enhances fleet, business and entire industry performance. It can be the key to unlocking smart shipping and delivering enormous efficiency, safety, cost and environmental benefits for maritime… but due care is required.

- Tor Svanes
CEO of NAVTOR

A 20-year assessment shows there is a broad correlation between freight rates and fuel prices, but the downside correlation has been stronger than the upside, while longer-term freight rates have declined in real and nominal terms.

-Tan Hua Joo
Executive Consultant at Alphaliner

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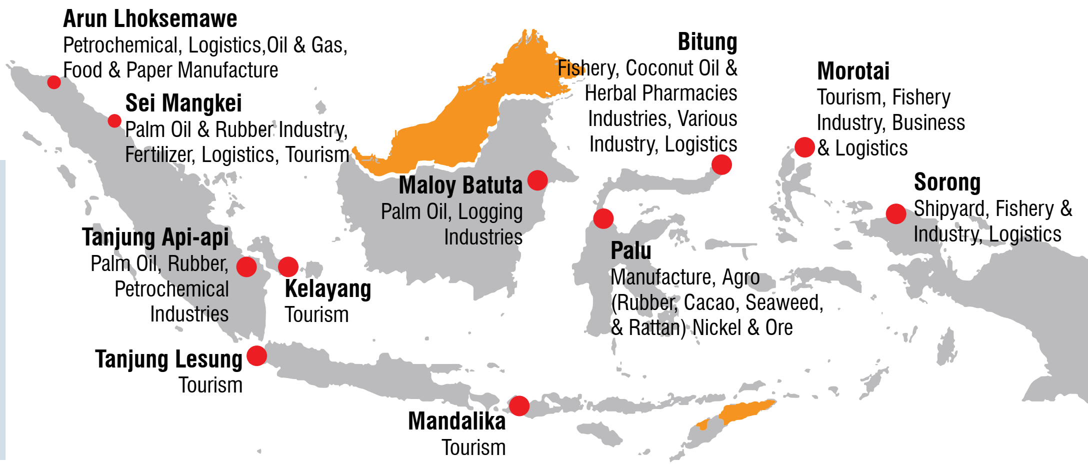
Investment Opportunities in Indonesia : Special Economic Zones

Fiscal incentives in SEZ are regulated under Minister of Finance Regulation No. 104/PMK.010/2016)

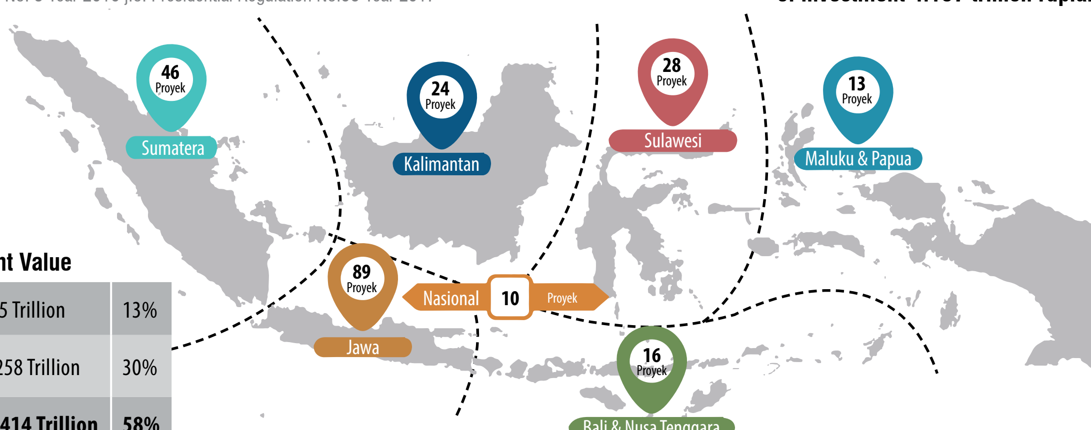
Incentives
Import duty, VAT, Import Income Tax (Article 22), Luxury-goods Sales Tax, and Excise for all goods are exempted plus Tax Holiday (if company's line of business inline with SEZs core activity) or Tax Allowance (other line of business).



Infrastructure Development in Indonesia

Source: Presidential Regulation No. 3 Year 2016 j.o. Presidential Regulation No.58 Year 2017

245 projects + 2 programs with total of investment 4.197 trillion rupiah



Estimation of Investment Value

National Budget	IDR 525 Trillion	13%
State/Regional Owned Company	IDR 1.258 Trillion	30%
Private	**IDR 2.414 Trillion**	**58%**

Top 5 Sectors

- **Energy** 12 Projects IDR 1.242 Trillion
- **Electricity** 1 Program IDR 1.035 Trillion
- **Road** 74 Projects IDR 684 Trillion
- **Train** 23 Projects 613 Trillion
- **Economic Zones** 30 Projects IDR 290 Trillion

UNCTAD's Global Investment Trends Monitor

The most attractive investment destinations 2016-2018

Rank	Country	% Respondent
1	United States	47
2	China	21
3	India	19
4	United Kingdom	15
5	Germany	13
6	Japan	13
7	Brazil	11
8	Mexico	11
9	Indonesia	8
10	Malaysia	5

Trillion Dollar Club

Countries with GDP of more than USD 1 trillion per year, and the year they joined

United States	1970	Canada	2005
Japan	1979	Brazil	2006
France	1988	India	2007
Germany	1990	Russia	2007
Italy	1990	Mexico	2007
United Kingdom	1990	South Korea	2007
China	1998	Australia	2008
Spain	2004	Indonesia	2017

Source: SEASIA

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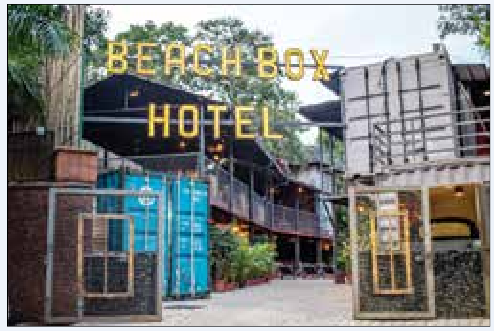
The Beach Box Hotel in Goa

A pair of former AOL employees – Gappan Annamalai and Bikram have set up The Beach Box Hotel, a property developed almost entirely using shipping containers. The 16 rooms, the restaurant, the bar are all built from containers, and even the swimming pool – with its wine-coloured water – has been built into one giant container. The idea is to recycle and reuse materials and yet provide a comfortable and upscale experience. The approach also helped the team cut on costs and time taken to set this up. A lot of care has gone into the design, foundation and construction methodology to ensure containers are protected from the heat through the effective use of green building techniques.



Şadan Kaptanoğlu elected President of BIMCO

Şadan Kaptanoğlu, Managing Director of HI Kaptanoglu Shipping, was elected President of BIMCO, the world's largest shipping association, at its General Meeting in Athens on May 14, 2019. Kaptanoğlu, who is a Turkish shipowner, takes over from Greek shipowner, AnastasiosPapagiannopoulos, Principal of Common Progress, who has completed his two-year term as President.

Port of Rotterdam debuts smart shipping experiment

The Port of Rotterdam revealed details of a new smart container experiment it is carrying out with partners. Called Container 42, the box is equipped with sensors and communication technology, and it is set to travel around the world for the next two years to collect data that had until now been invisible. Vibrations, pitch, position, noise, air pollution, humidity and temperature are among the things that will be recorded. The Container 42 innovation and research platform, led by Rotterdam, aims to answer questions about the future of technology, sustainability and logistics efficiency.

Industry wants govt to enforce duty to stop flooding of Chinese steel

In order to protect its interests from Chinese steel, the industry has asked the Centre to put in safeguard duties of as much as 25 per cent to protect it from growing imports, as it fears China could soon start flooding excess steel into the Indian market after the US raised tariffs on Chinese products due to the escalating trade war between the world's two largest economies. In fact, there is also a concern that China could re-route its excess steel capacity through other countries like Vietnam and Cambodia into India.

Singapore classifies scrubber residues as toxic industrial waste

The Maritime and Port Authority of Singapore (MPA) has classified residues arising from exhaust gas cleaning systems as toxic industrial waste (TIW). Therefore, the authority said that ships planning to dispose of these residues, classified as TIW under Singapore's environmental public health regulations, need to engage toxic industrial waste collectors (TIWCs). Under the rules, TIW must be collected and managed by licensed toxic industrial waste collectors. TIWCs can arrange for the residues to be offloaded in packaged form or in intermediate bulk container tanks directly to trucks and MPA licensed harbour craft for ships at berth and at anchorages, respectively.

OOCL upgrades Middle East network

Hong Kong-based OOCL will be strengthening its North Europe service connections with the Middle East and Indian Subcontinent by introducing two new Middle East / Indian Subcontinent – North Europe Services (IP1 and IP2) in June 2019. IP1 and IP2 will provide direct services between the Middle East, Pakistan, India, United Kingdom, France, Belgium, Netherlands and Germany, offering what is claimed will be more competitive and reliable services. Ports of call in IP1 will include Karachi, Nhava Sheva, Hazira, Mundra, King Abdullah, GioiaTauro, Tangier, Southampton, Rotterdam, Antwerp, London Gateway and Le Havre. IP 2 will start in Dubai's Jebel Ali port and will connect the same ports like IP1.

NYK launches Japan's first additive for IMO 2020-compliant fuel oil

Japanese shipping company Nippon Yusen Kaisha (NYK) and shipping and marine supplier Nippon Yuka Kogyo, a NYK Group company, have jointly developed a new fuel oil additive for low-sulfur compliant fuel-oil that meets SOx emission requirements.Yunic 800VLS – patent pending – is Japan's first additive for very low sulfur fuel oil (VLSFO). The additive is said to improve safety by helping to avoid troubles that may be caused by certain contents of VLSFO.

Merchandise exports begin the new fiscal on a positive note

India's merchandise exports in April 2019 were valued at $26.07 billion, as compared to $25.91billion in April 2018, exhibiting a positive growth of 0.64 per cent. In rupee terms, exports were 1,81,021.34 crore in April 2019, as compared to 1,70,052.96 crore in April 2018, registering a positive growth of 6.45 per cent. The major commodity groups of export showing positive growth over the corresponding month of the previous year were petroleum products, electronic goods, organic and inorganic chemicals, RMG of all textiles, and drugs and pharmaceuticals. Non-petroleum and non-gems and jewellery exports were $19.54 billion.

Rise in pharma exports from India

Pharma exports takes a leap in the country registering 10.72 per sent growth and touched a mark of $19 billion against $17 billion in FY 18-19 over FY 17-18. The rise in prices of APIs / bulkdrugs helped in the growth of exports as they resulted in the positive revenues to the shippers. While the exports of Vaccines, Surgicals and Ayush (Ayurveda, Naturopathy etc.) has seen a positive trend, the Herbals have seen a down trend. In terms of countries, US market was the highest importer from India with $5.82 billion, followed by UK, South Africa, Russia, Brazil, Canada, UAE and Bangladesh.

India extends deadline to impose retaliatory import tariffs on US products

After the US delayed its GSP decision regarding India, the government has extended the deadline to impose retaliatory import tariffs on 29 US products till June 16. The Commerce Department recommended to the Finance Ministry that the retaliatory duties against the US should be put off further by a month, taking into account the fact that the US has not yet withdrawn the Generalised System of Preferences schemes for India. It may be recalled that India had announced retaliatory tariffs worth $230 million on about 29 American goods in response to the imposition of penal tariffs of 25 per cent on steel and 10 per cent on aluminium by the US.

CMA CGM introduces reefer pharma division

The CMA CGM Group has announced the launch of its new Reefer Pharma division, specially dedicated to temperature-controlled shipping of pharmaceutical products and boasting

advanced expertise. The world's second largest carrier of refrigerated containers (reefer) with a fleet of 385,000 teus, the CMA CGM Group has developed unrivalled expertise in the transportation of highly fragile goods and those requiring special transport conditions.

Mahindra Logistics awaits permission to use drones in warehouses

Mahindra Logistics is awaiting regulatory approvals before it starts using unmanned aerial vehicles (UAVs) to improve the accuracy of the inventory and lower labour cost. The move comes at a time when warehouses are getting increasingly bigger and logistics companies are trying out newer technology to offer better services to their customers. The drones will not only count the number of products being stored, but will also scan them to determine their nature much faster.

SHIPPING

CMA CGM launches CMA CGM eSolutions

CMA CGM Group launched CMA CGM eSolutions, an entirely digital eco-system comprising an online agency and other eCommerce channels such as electronic data interchanges (EDI) and application programming interfaces (API) which allow the digital transmission of relevant information and data between CMA CGM and its customers.With CMA CGM eSolutions, customers will have the possibility to experience a 100 per cent digital journey when they choose CMA CGM to transport their goods.

The 10th Executive Committee Meeting of FFFAI

The 10th executive committee meeting of FFFAI, which was held on April 12 and 13 at Holiday Inn Hotel in Kolkata and attended by all office bearers including a large number of EC members of the federation, was majorly focused on interactions regarding future of Customs brokers' business in India at the backdrop of rapid changes in government rules and regulations, policies and customers' expectations. The objective was to have interactions on how to sail through the increasing challenges, to understand many initiatives from industry players, to attain common goal for win-win benefits and get acquainted with new trends and solutions, through special knowledge sessions from domain experts.

IRClass to provide classification services for BSF vessels/crafts

IRClass has secured an order for providing classification services for nine floating border out posts (FBOPs) and 36 patrol boats of BSF. The FBOPs will be constructed at the Cochin Shipyard in accordance with the rules of IRClass. The vessels are also capable of providing logistical support to four smaller patrol boats. In another project for the BSF, a fleet of nine 20-metre medium crafts is under construction under the classification of IRClass. These boats are designed to carry out day and night coastal patrol and surveillance operations in coastal areas.

GRSE wins contract to provide eight ASWSWCs for Indian Navy

Garden Reach Shipbuilders & Engineers Limited (GRSE) won contract for design, construction and supply of eight Anti-Submarine Warfare Shallow Water Crafts (ASWSWCs) for Indian Navy in the competitive bid. The Contract was signed on April 29, 2019 between GRSE and Government of India, Ministry of Defense. The order value for these eight vessels is ₹6311.32 crore. The first ship is to be delivered within 42 months from contract signing date and subsequent balance ships delivery schedule will be two ships/ year. The project completion time is 84 months from date of signing the contract.

Cochin Shipyard wins contract for the construction of eight ASWSWCs for Indian Navy

Cochin Shipyard Limited (CSL) won contract for the construction and supply of eight Anti-Submarine Warfare Shallow Water Crafts (ASWSWCs) for Indian Navy in April 2019. The order value for these eight vessels is pegged at ₹6,311.32 crore. The first ship is to be delivered within 42 months from contract signing date and subsequent balance ships delivery schedule will be two ships per year. The project will have to be completed within 84 months from date of signing the contract. These ASWSWCs are designed for a deep displacement of about 750 tonne, speed of 25 knots and complement of 57 and capable of full scale sub surface surveillance of coastal waters and co-ordinated ASW operations with aircraft.

Maersk delivers reefer exports of butter from India to Turkey

Maersk delivered it's first-ever shipment of butter from Bulandshahr, Uttar Pradesh to Turkey. Butter exporter VRS Foods exported an initial six containers of their brand, Paras Dairy Butter, through Maersk's first mile delivery reefer service which helps businesses with intermodal, customs clearance, and documentation needs to enable seamless trade. This has opened up a niche cargo category encouraging the shipping of an array of commodities within the reefer segment. The first mile delivery reefer service coupled with remote control management solution offers exporters a one-stop solution in logistics.

R. Ravi Kumar takes charge as the new Secretary-General of IPPTA

Indian Private Ports & Terminals Association (IPPTA) has announced the appointment of R Ravi Kumar as the new Secretary-General of the Association. He replaces Capt Ashok Bhattacharjee. Ravi Kumar has spent over 40 years in the maritime and port industry, having worked with various public and private entities like the Ministry of Shipping, JNPT, VCTPL and the J M Baxi Corporate Office. He brings with him vast experience and knowledge, specifically on public-private partnership projects and port policy.

HMM to be part of Digital Container Shipping Association

HMM has announced that it intends to join the Digital Container Shipping Association (DCSA) whose aim is to create common information technology standards to make the industry more efficient for both customers and shipping lines. With some of the largest container shipping lines in the world from both Asia and Europe, the Middle East and Africas members, DCSA represents a substantial part of the industry. The DCSA is a neutral and non-profit association established April 2019 in Amsterdam, and once regulatory approval for the new members has been gained, they will represent 70 per cent of the market.

Schulte Group introduces dedicated venture capital unit for maritime start-ups

The Schulte Group has launched INNOPORT, a dedicated venture capital unit which identifies investment opportunities in the global maritime start-up ecosystem to equip entrepreneurs with smart capital. INNOPORT will support high-potential early-stage maritime and logistics start-ups predominantly in Europe and Asia, with the flexibility to collaborate with start-ups from all geographic areas. Potential pilot projects within BSM, sales-partnerships and technical co-operations are some of the options in which the INNOPORT team acts as a sparring partner for the start-ups.

Arun Maheshwari appointed Joint MD & CEO of JSW Infrastructure

JSW Infrastructure appointed Arun Maheshwari as its Joint Managing Director and Chief Executive Officer. Arun will report to Sajjan Jindal, Chairman – JSW group and oversee the next phase of company growth and expansion. He will be based in Mumbai. He has been associated with JSW Group since November 1995 and has handled multiple roles and responsibilities, including his role as Executive Vice-president (commercial), JSW Steel. With over two and half decades of experience in the steel industry, he has been responsible for sourcing major steel and power generating raw materials, corporate strategy, and international marketing.

ONE, PSA Singapore inaugurate Magenta joint venture terminal

Container shipping company Ocean Network Express (ONE) and port operator PSA Singapore have inaugurated the Magenta Singapore Terminal. The joint venture undertaking will operate four container berths at PasirPanjang Terminal as part of a plan announced in December 2018. The joint venture terminal by PSA represents an important step in locking in the Japanese container line joint venture ONE to using Singapore as its transhipment hub in Southeast Asia.

Shipbuilders competing for 60 LNG vessels from Qatar

According to industry analysts, competition is heating up among Korean shipbuilders to win 60 anticipated orders from Qatar, which would expedite the domestic shipbuilding industry's rebound from a long slump. The key point will be about how many empty shipbuilding slots each company can secure before commencing construction. The state-run Qatar Petroleum sent invitations to tender reserve shipbuilding capacity for LNG carriers to major shipbuilders across the world, including Korea's Hyundai Heavy Industries, Daewoo Shipbuilding & Marine Engineering (DSME) and Samsung Heavy Industries.

IMO MEPC tightens climate protection requirements for ships

The International Maritime Organisation's (IMO) Marine Environment Protection Committee (MEPC) has approved amendments to strengthen existing mandatory requirements for new ships to be more energy efficient. The amendments were approved at the MEPC 74th session held from May 13 to 17, 2019. The committee approved for adoption at the next session in April 2020, amendments to MARPOL Annex VI to significantly strengthen the Energy Efficiency Design Index (EEDI) "phase 3" requirements. It also agreed terms of reference for a correspondence group to look into the introduction of a possible "phase 4" of EEDI requirements.

PORTS

Rinkesh Roy is in-charge chief of VPT

Paradip Port Trust Chairperson Rinkesh Roy took charge as Visakhapatnam Port Trust In-charge Chairperson. Rinkesh Roy has done his masters in public management from Harvard University and National University of Singapore. He joined the Indian Railway Traffic Service (IRTS) in 1992 on South Eastern Railway. Rinkesh Roy has developed an expertise in logistics, operations and strategic planning. He has worked in various capacities and has a rich experience in the interface and working of iron-ore mines, steel plants, collieries, power plants and port operations. He is also associated with the formulation of the 12th Five Year Plan of the Union Ministries of railways, coal and power. He has worked in varied capacities in the railway operations department at Khurda Road, Sambalpur, Waltair, Kharagpur, Chakradharpur and Bilaspur divisions.

NSIGT sets another record by berthing the deepest draft container vessel

Nhava Sheva (India) Gateway Terminal (NSIGT) has set a new benchmark by hosting a container vessel with the deepest draft to call at JNPT, post the dredging project. The MSC Sindy with a length of 336.7 metres is deployed on the IMED Service and requires a minimum arrival draft of 15.65 metres at berth. The MSC Sindy is a testament to the efforts and commitment by the Port Authority in improving the marine infrastructure at JN Port.

Adani plans major expansion project at Mundra Port

India's Adani Group has unveiled its plans to increase cargo capacity at the country's Mundra port. Through its port operator, Adani Ports and Special Economic Zone Limited (APSEZ), the company would reportedly invest up to ₹57.59 billion ($832 million) to expand the operations at the port. The project includes extending the quay length by 14,470 metres, augmenting back-up facilities for handling multi-purpose, liquid, gas and cryogenic cargo, extending the eastern and western breakwater by 500 metres each in the south port, and constructing a 5,000 metre-long breakwater on the eastern side of west port.

Capt BVJK Sharma joins Adani Group as Director-Ports

Capt BVJK Sharma has re-joined Adani Ports & Logistics as Director-Ports. He will be spearheading its proposed new greenfield projects in Maharashtra and will be reporting to Karan Adani, CEO. He was instrumental in the development and operations of Mundra Port in the initial years before joining JSW Infrastructure where he served as Joint MD and Chief Executive Officer for 16 years. He has been duly recognised for his contribution to the maritime industry and was honoured twice as "Maritime Personality of the Year."

Shanghai port handles 10.42m teus in first three months

In the first three months of the year, Shanghai Port has handled 10.42 million teus, up seven per cent over the corresponding period of 2018. The throughput in March 2019 was 3.81 million teus, up 12.4 per cent year-on-year and a whopping 33.2 per cent more compared to the 2.86 million teus handled in February 2019.

Separate dock system suggested at Kolkata Port

According to a paper released by ASSOCHAM, Kolkata Port Trust should develop a separate dock system with ship-to-shore handling facility in order to efficiently handle growing Bangladesh and coastal cargo. It also said that permission for transhipment of Bangladesh export cargo via Indian ports, viz., Kolkata, Visakhapatnam, JNPT and Mundra will help create a reverse cargo flow from Bangladesh and develop the Indo-Bangladesh trade lane using rail/inland waterway and short sea shipping options as transport modes. The paper also suggested that coastal exim cargo for Bangladesh can have the flexibility to avail Direct Port Entry (DPE) for exports from Kolkata, instead of CFS routing.

JNPT introduces new Container Terminal Data Centre

Sanjay Sethi, the Chairman of JNPort inaugurated its new Container Terminal Data Centre. The centre houses a new server room equipped with smart-racks with in-row cooling system for critical ICT equipment and redundancy built-in. They will also track real time monitoring of critical data centre parameters, remotely round-the-clock through Data Centre Infrastructure Management (DCIM) Software. The container tracking data centre is one of the key initiatives underway at JNPT under the ease of doing business as an effort towards making it among the top container ports across the world.

Coal shipments at major ports increase by 11 per cent

According to the Indian Ports Association, coal shipments handled by the country's 12 major ports saw a jump of 10.81 per cent to 161.34 million tonnes (MT) in the previous financial year. These ports had handled 145.59 MT of coal cargo in 2017-18. Shipments of thermal or steam coal and coking coal rose 9 per cent and 14.25 per cent, respectively, during 2018-19. The IPA said that the major ports handled 103.84 MT of thermal or steam coal during the financial year, compared with 95.26 MT in the previous fiscal.

Adani Group bags Yangon Port contract in Myanmar

Adani Group has won a 50-year concession to develop an 800,000 teu a year box terminal in the southwest of Yangon. The Ahlone International Port Terminal (2) will be situated 50 km up the Yangon river from the Andaman Sea where the depths are 9m quay side allowing ships of up to 1,500 teus to call. The $290 million facility will be spread across 50 ha. Its first phase, due for completion late next year, will have an initial 150,000 teus annual capacity. The second phase of development will take an additional six months and is expected to increase the capacity to 800,000 teu.

Liebherr Reachstacker LRS 545 hardworking handling container at Antwerp Port

First impressions of the new Liebherr LRS 545 Log Handler prototype doing its work

35 tonnes machine LRS 545 – 35

After detailed market analysis and development phase, Liebherr Maritime is pleased to announce the desired extension of the load capacity by the LRS 545 – 35. As the name implies, the new reachstacker is capable of lifting containers weighing up to 35 tonnes out of the second row. It was possible to develop a more powerful reachstacker without changing the chassis of the common LRS series.

Efficient LRS 545 Log Handler

Sophisticated design and proven quality standards make the new Liebherr LRS 545 Log Handler a hallmark of reliability. With up to 30 tonnes lifting capacity and a maximum grapple capacity of 8.2 m^2, the new Log Handler from Liebherr sets standards when it comes to timber handling performance. The telescopic boom allows an unrivalled range of up to 8.5 metres and stacking height of up to 8.9 metres. Another advantage is the possibility of log handling below ground level.

Ever since the market launch in June 2015, all the devices of the LRS 545 series have been among the most innovative ones on the reachstacker market. The decisive factor above all is the unique drive concept of the Liebherr reachstackers, the hydrostatic drive. This concept is a high-end solution developed by Liebherr and has already proven itself in over 70,000 Liebherr wheel loaders. It enables a number of unique advantages over competitive products, e.g., maintenance- and wear-intensive parts such as differential and torque converters can be saved. Furthermore, the hydrostatic drive combined with the extremely economical 230 kW Liebherr diesel engine provides possible fuel savings of up to 30% compared to the market average.

To extend the safety aspect during operation, Liebherr developed the new Topview Camera System, which is an optional feature available for all device types of the LRS 545 series. The innovative Topview System offers the driver an excellent rear and side view from a bird's eye perspective, without any blind spots. Due to the logical composition of three camera images, the complete rear area is covered by the system at an angle of 270°.

The new LPS 420 E

The new LPS 420 E is the latest extension of the Liebherr mobile harbour crane product range. The newly designed machine is a purely electric driven portal crane. All crane movements like luffing, hoisting, slewing and travelling are done by electric motors. As the LPS 420 E is a member of the LHM series, it is also characterised by high modularity. Therefore, it is a universal all-rounder and a key asset for handling every type of cargo, from containers to bulk, general cargo and heavy lifts up to 124 t. The forward looking machine is designed for ports and terminals with an electrical infrastructure. Equipped with two winches, each with a powerful 190 kW electric motor, the LPS 420 E provides a maximum load capacity of up to 124 tonnes.

Bulk Handling

With a turnover of up to 1,200 tonnes per hour, the new Liebherr LPS 420 E electric crane exceeds the average turnover of comparable electric driven cranes in the market. With a maximum outreach of up to 48 metres, ships with a size of up to Panamax class can be served.

Container Handling

With up to 30 cycles per hour, the LPS 420 E is the perfect solution when it comes to container handling. Ship sizes up to post-Panamax class are ideally servable for the LPS 420 E. The operator of the new LPS 420 E can rely on very dynamic electric motors. Furthermore, the low moment of inertia ensures a fast response of the motor for precise drive characteristics. Due to the high motor speed spread no gear shifting between normal and heavy load is required.

Latest Technology

The LPS 420 E is especially optimised for terminals with a power supply ranging from 380 V to 460 V. Thanks to the Liebherr active-front-end frequency converter deviations in the voltage supply can be compensated easily for safe and stable operation. Due to the critical conditions, like limited space and harsh environmental conditions, a liquid-cooled and highly efficient multi-drive frequency converter system was implemented. The compact unit ensures a high power storage capacity, which enables the accumulation and supply of 200 kW of power within 15 seconds. mg

Gateway SpotLight, a special feature by *Maritime Gateway*, showcases the unique initiatives of business groups across maritime sectors in their products, services and processes that helps them achieve and sustain better productivity, efficiency, environment conservation and above all judicious business practices. **Gateway SpotLight** provides an opportunity for businesses to bring to light their best practices at work and thereby such a **FOCUS**.

Presenting **LIEBHERR** under this feature.

LIEBHERR Leading by performance

Be it for moving containers or handling break bulk and dusty cargo, the latest range of reachstackers and mobile harbour cranes offered by Liebherr are unmatched in performance and efficiency.

Liebherr launches first purely electrical port crane

Exactly four years ago, Liebherr Maritime presented the first prototype of the reachstacker LRS 545 at TOC Europe in Rotterdam. Now two further products have extended the LRS 545 series. The powerful LRS 545 - 35 that lifts 35 tonnes in the second container row and the LRS 545 Log Handler with a remarkable grapple capacity of 8.2 m^2.

NEPAL

Nepal and China sign access agreement for trade

China and Nepal have signed a deal that seals a 2016 agreement to grant the latter access to Chinese seaports and land facilities for trade. The protocol inked recently would allow Nepal access to seaports at Tianjin, Shenzhen, Lianyungang and Zhanjiang, and road and rail facilities at Lanzhou, Lhasa and Shigatse for third-country import. The agreement would also allow Nepal to export goods through China at six other unspecified points that would reduce Nepal's dependence on India for access to international markets.

SRI LANKA

DGSF commissioned at the Colombo International Container Terminal (CICT)

Sri Lanka's first Dangerous Goods Storage Facility (DGSF) was commissioned on 10th May 2019 at the Colombo International Container Terminal (CICT). It equips the Port of Colombo with a sophisticated storage yard for cargo classified under the International Maritime Dangerous Goods (IMDG) Code. It was constructed with an investment of 1.5 million US dollars. Encompassing an area with a capacity to accommodate up to 471 teus at a time, the facility has explosion-proof yard surfaces, manual and automatic spray-rod cooling, refrigerator storage, advanced fire control and fire-fighting equipment including a sand pool, a 50kg wheeled ABC powder extinguisher, and sand pool emergency tram.

SINGAPORE

Singapore opens cyber security operations centre

The Maritime and Port Authority of Singapore (MPA) has opened a new Maritime Cyber security Operations Centre (MSOC), to provide early detection, monitoring, analysis and response to potential cyber-attacks on the port state's critical maritime information infrastructure. The MSOC will be operated by ST Engineering at its Singapore Hub, and will conduct 24/7 monitoring and correlate data activities across all maritime Critical Information Infrastructure (CII) systems. It will have the capability to (a) detect and monitor cyber-attacks by analysing activities in the IT environment; (b) detect anomalies and threats; and (c) respond to the cyber security incidents using available technology solutions.

BANGLADESH

Bangladesh's second LNG terminal starts operations

Bangladesh has commissioned its second LNG terminal with the launch of operations of FSRU Summit LNG offshore Moheshkhali Island in the Bay of Bengal. The FSRU completed commissioning of the LNG terminal, owned by Summit LNG Terminal, on April 29, 2019. The terminal has a send-out capacity of 500 million standard cubic feet per day (MMscf/d) of natural gas. In August 2017, Summit entered into a 15-year charter agreement with Excelerate for the FSRU. In addition to providing the vessel, Excelerate acted as the owner's Engineer for Summit in regard to the fixed infrastructure components of the terminal, which included a subsea plug, mooring system, and subsea pipeline.

CHINA

China hits back in trade war with US

China has said it would raise retaliatory tariffs on $60bn (£46bn) worth of US goods from June 1, 2019 extending a bilateral trade war. The move comes three days after the US more than doubled tariffs on $200bn of Chinese imports. The escalation hit stock markets, with Asia markets falling and Wall Street closed with sharp losses. US President Donald Trump had warned China not to raise levies, but Beijing said it would not swallow any "bitter fruit" that harmed its interests. Items affected include beef, lamb and pork products, as well as various varieties of vegetables, fruit juice, cooking oil, tea and coffee. The latest round of US-Chinese trade negotiations ended in Washington on May 11, 2019 without any deal.

IRAN

US intends to cut Iran oil exports

The US is sending the USS Abraham Lincoln, an aircraft carrier, and a group of support ships to the Persian Gulf as part of the deployment. They will be joined by a bomber task force from the US Air Force. The aircraft carrier departed from Virginia on April 1, 2019. Through a strict sanctions regime, the Trump administration is attempting to cut off Iran's oil exports, which are the largest single source of revenue for the Iranian government. The UK, France, Germany and the EU, which all support the 2015 nuclear deal with Iran, said in a joint statement they were disappointed at the US decision to intensify sanctions.

MYANMAR

Singapore is Myanmar's biggest investor

According to data from the Ministry of Investment and Foreign Economic Relations, Singapore has overtaken China as the country's main source of foreign investment in 2019. Many companies investing in Myanmar from Singapore are multinationals that set up regional headquarters in the Lion City. In fiscal 2018-2019, which started on October 1 and ended in April, the Myanmar Investment Commission approved foreign investment plans worth $2.5 billion. However, the foreign investments in the country have been declining for the past four years due to the Rakhine humanitarian crisis, and many investors have opted to invest instead in nearby Thailand, Vietnam and Cambodia.

AFGHANISTAN

India's first export shipment for Afghanistan enters Iran's Chabahar

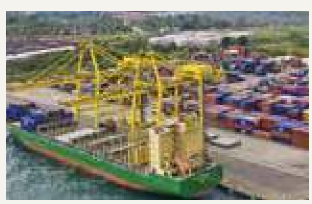
The deputy chairman of the Afghanistan Chamber of Commerce and Industries said India's first export shipment to Afghanistan has arrived at Iran's Chabahar Port. Around 500 tons of rice which were bought from India has arrived in Chabahar. The Iranian port of Chabahar provides easy access to the sea to Afghanistan. Chabahar is the closest and best access point of Iran to the Indian Ocean and Iran has devised serious plans to turn it into a transit hub for immediate access to markets in the northern part of the Indian Ocean and Central Asia.

MALDIVES

Work resumes full steam on Maldives coastal radars

Work on setting up a coastal surveillance radar chain in in Maldives has resumed full steam, with technical teams from India finishing installation work to get the system operational. The radar chain—which will link up with similar systems in India, Sri Lanka, Mauritius and Seychelles—will provide a comprehensive live feed of ship movements in the Indian Ocean Region that can be used by friendly navies. Seven out of the 10 radars that had to be set up are now being fitted with the latest systems, while three other radars had been functional but could only relay automatic identification system data and are currently being upgraded by teams from Bharat Electronics Limited.

PHILIPPINES



MCT Starts Port Upgrades

The Mindanao Container Terminal (MCT) is rolling out improvements and upgrades at its port terminal in an effort to become a premier international gateway in Mindanao, the Philippines. The terminal modernisation project includes installation of new reach stackers, terminal tractors and trailers, and other equipment that are expected to be completed this year and in the middle of 2020. The port terminal also plans to be a transshipment hub connecting Northern Mindanao to Visayas and other parts of the country, ensuring that the business community in CDO has access to the rest of the country through MCT, a subsidiary of International Container Terminal Services, Inc. (ICTSI).

VIETNAM

Trade war pushing companies from China to Vietnam

The US-China trade war, which got intensified and increased tariffs on Chinese exports to the US has resulted in China's exports surprisingly shortened in April 2019. The escalation in the trade war has opened doors for Vietnam. The latest official monthly figures from Vietnam for April 2019 showed a 29 per cent increase in US-bound exports year-on-year, while capital contributions from foreign investors were up 215 per cent. Vietnam's economy grew by 7.1 per cent last year compared to 6.8 per cent, while it has attracted a plethora of multinational companies, including Intel, Samsung and LG, all of which have made huge investments.

UAE

Jebel Ali free zone wipes millions in fines

The Jebel Ali Free Zone (Jafza), the economic zone in the Middle East and home to Dubai's main container shipping port, has announced that it will refund approximately $354 million in cash fines and bank guarantees owed by its clients. Jafza's decision to waive the fines is part of the United Arab Emirates' (UAE) 'Year of Tolerance' initiative. It will also support the UAE's goal of increasing its Ease of Doing Business rating and incentivising new companies and investors to do business in the region. The UAE is currently 11th in the World Bank's Ease of Doing Business ranking.

SOUTH KOREA

South Korea to pump in more funds in to struggling shipyards

According to the South Korea's Ministry of Trade, Industry and Energy, the country plans to spend another KRW 70 billion ($60.1 million) to support local shipbuilders' recovery efforts. The financial support would be aimed at helping local shipyards in attracting orders for environmentally friendly vessels, such as LNG-fuelled ships, as they struggle to recover from an industry wide slump. The country would create KRW 1.7 trillion ($1.46 billion) fund to support shipbuilders. Additionally, it would invest KRW 2.8 trillion ($2.4 billion) in infrastructure, a move which could see a total of 140 LNG-fuelled vessels ordered at the yards by 2025.

SINGAPORE: THE LEADER OF MARITIME CAPITALS

Singapore, also known as the city state, has defied its geographical limitations and has outperformed to stand ahead of other global maritime capitals in the recent survey conducted by **Menon** Economics and DNV GL Publication.

Singapore yet again ranked on top of the just released "The Leading Maritime Capitals of the World – 2019" rankings, published by A Menon Economics and DNV GL Publication. The Asian leader of shipping, Singapore, has in 3 out of 5 pillars on which the maritime capitals are benchmarked, stood as the overall topper by keeping four other world class maritime capitals of the world to stand behind it.

Not only for the current year – Singapore – the City named after the Lion, has also been recognized as the number one maritime capital for the next 5 years until 2024. The industry experts, who have been participated in the survey, literally fell in love with the City's caliber in attractiveness, competitiveness, infrastructure and innovation - that really drive Singapore to be an absolute global leader in maritime business further.

The prestigious Menon report, a Bi-Annual Report, which was last released in 2017, covers the five pillars – Shipping Centres, Maritime Finance and Law, Maritime Technology, Ports and Logistics and Attractiveness and Competitiveness – to measure a city's overall attractiveness to cover in the report. It also covers the comprehensive objective and subjective indicators to analyze the potential of the particular city.

Despite the weak offshore service market and new normal economic conditions, Singapore, has been able to retain its position while emerged as the best maritime hub due to its inherent strength in all the parameters. While Singapore is outperforming in three out of five pillars in Shipping Centres, Ports and Logistics and Attractiveness and Competitiveness, it is among the top 10 cities even in the other two pillars – Maritime Finance and Law and Maritime Technology.

On overall rankings, Singapore stands number one followed by Hamburg, Rotterdam, Hong Kong and London. While Singapore, Hamburg, London and Tokyo have maintained their previous rankings, Dubai has climbed up a rank and stood at 9th position followed by Busan. Rotterdam and Hong Kong have significantly improved their rankings by about 3 steps to stand at third and fourth respectively.

Though Singapore remains the overall leader of the maritime capitals, the other cities have also excelled in some of the pillars of Menon report. London leads in maritime finance and law as the English law is popular for maritime resolutions and the city is home for more number of maritime lawyers. Followed by New York, Oslo, Hong Kong and Singapore. Oslo is the topper in maritime technology followed by London, Hamburg, Busan and Tokyo.

About the Report:

Two years after its previous report, the 2019 edition of Leading Maritime Capitals (LMC) is back with a fresh insight on how the maritime capitals provide the best service and support in terms of soft and hard infrastructure and world class talent, to allow the maritime businesses and people to connect and prosper. The survey is conducted by nominated business executives – Ship Owners and Managers from across the world. Out of 200 experts called upon for the study, around 40 per cent of them are based in Europe, 30 per cent in Asia and rest all from America, Middle East and Africa.

BANGLADESH EXPLORING TRANSSHIPMENT THROUGH INDIAN PORTS

by Omer Ahmed Siddiqui

Off late, Bangladesh trade had been struggling with increased lead time and cost while moving cargo through conventional routes. The country is now exploring smarter options, which will possibly reroute its cargo through Indian east coast ports, rather than moving through conventional transshipment hubs

Connectivity and logistics cost has always been a grey area for South East Asian countries as it is far below the global standards. Home to some of the fastest growing economies and a huge consumer market, countries in this region have waken-up to this stark reality and are realigning their trade routes. In the past few years India has made much focused efforts to improve trade and connectivity with immediate neighbours including Nepal, Bangladesh, Myanmar and Sri Lanka, to many of whom India is also the largest trading partner.

Earlier this year, the Central Board of Indirect Taxes and Customs (CBIC) permitted Indian-flag vessels to make calls en-route at Sri Lankan and Bangladeshi ports during their export-import (EXIM) and domestic services. The move will help fleet owners make optimum use of their space, cut transportation costs and boost modal shift of cargo from road and rail to sea.

India is one of the largest trading partners to Bangladesh and movement of goods between both the countries takes place through both land and sea routes. Improving connectivity between the countries in 2016, India's Prime Minister Narendra Modi revived trade agreements signed by former Prime Minister Indira Gandhi in 1974 and a coastal shipping agreement was reached, following which the Indian container vessel MV Harbour-1, owned by Neepa Paribahan moved a debut cotton cargo from Krishnapatnam Port through a direct route to Bangladesh. Previously, such shipments were routed via Colombo, Sri Lanka, or Singapore.

Cotton logistics

Bangladesh imports a lot of cotton from India, but in the absence of a direct shipping agreement between the countries the commodity was moved over the Benapole/Petrapole land border which is more time consuming and costly. It takes 20 days for a shipment to reach Bangladesh via land route, while it takes just 7 days through sea. About 17 per cent of the cotton exported to Bangladesh is from Andhra Pradesh and Telangana region. Shippers can save approximately ₹30,000 if the cargo is moved through sea rather than road.

Cotton imports to Bangladesh from central India – Nagpur area moves by rail to Nhava Sheva Port on the west coast of India and is then transhipped via Colombo resulting in longer transit time. Instead, the cargo can be moved from Nagpur to east coast ports via rail and then loaded on feeder vessels connecting to Chittagong Port or Pangaon Port.

In addition, Bangladesh imports many other manufactured goods from other ports in India such as Nhava Sheva, Mundra, Cochin, Tuticorin and Chennai. All these ports are connected to Chittagong Port through transhipment via Colombo or Singapore, leading to long transit and higher cost for Bangladesh importers.

In October 2018, several milestone agreements for enhancing inland and coastal waterways connectivity were signed between the countries, which also included an agreement to use Chattogram and Mongla Ports in Bangladesh for movement of goods to and from India. An addendum to 'Protocol on Inland Water Transit and Trade' (PIWTT) between India and Bangladesh was signed for inclusion of Dhubri in India and Pangaon in Bangladesh as new ports of call. However, there was not much progress in trade movement through the coastal route, primarily due to the imbalance in trade. The trade between India and Bangladesh is heavily skewed in favour of India:

Md Abdus Samad,
Secretary, Ministry of Shipping, Government of the People's Republic of Bangladesh

"India and Bangladesh have signed several agreements for enhancing inland and coastal waterways connectivity between the two countries for trade and cruise movements. The agreements will facilitate easier movement of goods and passengers between the two countries, giving an impetus to trade, tourism, and export-import cargo by reducing logistic costs and time."

India exports a lot to Bangladesh but doesn't import much in return and this lack of return cargo was a major deterrent factor for shipping lines to operate on the route. Elaborating on the trade imbalance **Ali Ahmed, CEO, BFTI** said, "Bangladesh is connected with Tripura, West Bengal and not with the major trade areas of India. These states of India don't hold much potential for exports or imports and the southern and western states are far away. To bring them closer for trade purpose governments in both the countries should focus on improving logistics infrastructure. The government should sensitise the trade about legal facilities, trade positions, potential for improving imports/exports and people-to-people contact. As per the statistics, the largest tourists coming to India is from Bangladesh, but Bangladesh has not many tourists visiting from India. Such scenarios needs to be balanced."

To set right this imbalance in trade container shipping lines and port operators in India are seeking a change in the bilateral coastal shipping agreement signed between India and Bangladesh to permit transshipment of Bangladesh cargo from Indian ports. Even the shippers in Bangladesh have given a clarion call for amendment to some clauses in the coastal shipping agreement to allow transhipment of third country cargo through Indian ports.

Currently the India-Bangladesh coastal shipping agreement covers only origin-destination cargo between the two neighbouring countries. Since the local vessels cannot carry a third country's goods, the international main line operators (MLOs) – like Maersk, Hyundai and Hapag-Lloyd – that carry goods from the US, the EU and other countries do not unload the Bangladesh-bound goods at the Indian ports. Rather, the MLOs take the Bangladesh-bound goods to other transhipment hub ports like Singapore, Colombo or Kelang, where they are stacked in the terminals for at least a month before they are carried to Bangladesh in small vessels. It takes at least a week for the goods to arrive at the Chittagong or Mongla Ports from abroad. So in total, it takes about 45 days to carry those goods to Bangladesh, said **Shaikh Mahfuz Hamid, Managing Director of Gulf Orient Seaways.** "If our local container ships are allowed to carry third country goods from three Indian ports of Visakhapatnam, Krishnapatnam and Haldia, we can save at least 45 days in each consignment," said Hamid. Not only that, the shippers could have earned $12.5 million as fares and saved $37.5 million a year, as it takes only three days to carry the goods from the three ports of India to Chittogong or the Pangaon Port in Dhaka, he said.

Elaborating on the need for opening up Indian ports for transhipment of third country cargo destined to Bangladesh, **SK Mahfuz Hamid, Vice President, Bangladesh Container Ship Owners Association & Chairman, Coastal Ship Owners Association of Bangladesh** said, "Most of our import and export cargo are going to UK and USA and also some imports are coming from China. All these cargo are containerised. Main hubs for containerised cargo

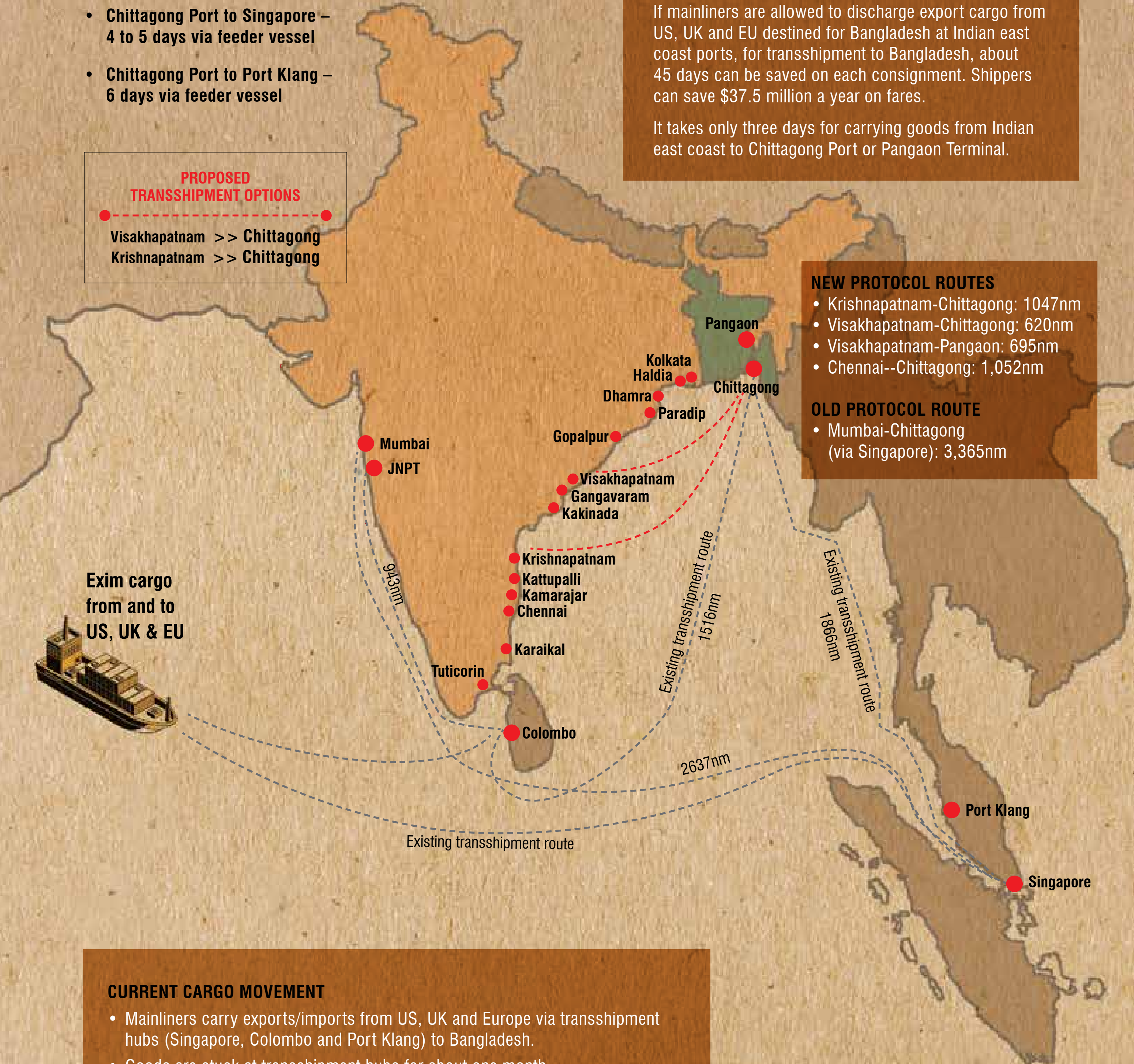
TIME LOST IN TRANSSHIPMENT

- **Dhaka to Chittagong Port – 2 days**
- **Chittagong Port to Singapore – 4 to 5 days via feeder vessel**
- **Chittagong Port to Port Klang – 6 days via feeder vessel**

TRANSSHIPMENT ADVANTAGE THROUGH INDIAN EAST COAST PORTS

If mainliners are allowed to discharge export cargo from US, UK and EU destined for Bangladesh at Indian east coast ports, for transshipment to Bangladesh, about 45 days can be saved on each consignment. Shippers can save $37.5 million a year on fares.

It takes only three days for carrying goods from Indian east coast to Chittagong Port or Pangaon Terminal.



NEW PROTOCOL ROUTES

- Krishnapatnam-Chittagong: 1047nm
- Visakhapatnam-Chittagong: 620nm
- Visakhapatnam-Pangaon: 695nm
- Chennai--Chittagong: 1,052nm

OLD PROTOCOL ROUTE

- Mumbai-Chittagong (via Singapore): 3,365nm

CURRENT CARGO MOVEMENT

- Mainliners carry exports/imports from US, UK and Europe via transshipment hubs (Singapore, Colombo and Port Klang) to Bangladesh.
- Goods are stuck at transshipment hubs for about one month.
- It takes a week for goods to arrive from transshipment hubs to Chittagong Port or Pangaon Terminal.
- Total time taken for imports to reach Bangladesh from US, UK or EU is 45 days.
- Similarly, raw cotton, garment accessories and denim from Mumbai reach Chittagong Port via Singapore.

nowadays are Singapore and Port Klang. A vessel coming from US, UK and China is going straight to Port Klang or Singapore, because we don't have direct vessel calls at Chittagong Port, so another feeder vessel will bring these containers to Chittagong Port, from where the cargo is brought to Dhaka because most of our industry especially garments are in Greater Dhaka. This route for cargo movement is very time consuming. Chittagong Port is handling huge containers, but during festival times and due to some issues there is congestion. So even the feeder vessels are made to wait at the outer anchorage. The lead time goes up and the shipper has to pay the congestion charges. Considering all these our Prime Minister decided that we will open ICDs near Dhaka so that the Dhaka bound cargo will directly come from Chittagong to Pangaon ICDs. At the same time she also asked the ship owners to immediately build or procure vessels for container movement. She also gave us direction that the shipping ministry will go for a change in coastal shipping protocol with India to include transhipment of third country cargo. From India huge cargo is coming such as raw cotton, garment accessories and denim. These cargo are going from Mumbai to Singapore then coming to Chittagong and finally reaching Dhaka. Under this protocol our vessels can bring in containers from Chennai or Krishnapatnam Port, Vizag Port and Haldia. When we started these operations we came to know we have huge containers coming by shipping lines that drop Indian containers at Krishnapatnam and carry Bangladesh containers again to Singapore. So instead of going back to Singapore for coming to Chittagong Port why we cannot take this advantage of routing our third country imports directly via Indian ports?"

"Unfortunately, when the coastal shipping agreement was signed Indian Shipping Ministry had mentioned that this will involve only Indian and Bangladesh cargo movement and will not include third country cargoes. That's the reason, last October again when the secretaries from both sides met in Delhi, Govt

Ali Ahmed
CEO, Bangladesh Foreign Trade Institute (BFTI)

"India has agreed for moving third country exim cargo on the coastal route. Bangladesh government is examining how practical it is to move third country cargo along with exim cargo. We are examining which ports will be best suited for west bound cargo and for connecting to Middle East."

Q. Why was Bangladesh Foreign Trade Institute (BFTI) established, what is its mandate and why is this particular study of east coast ports of India being done?

BFTI is a public-private partnership wherein the public and private sector are equally involved, but it is not for profit organisation registered with the joint stock companies. Our mandate is to undertake research works on national economy – trade, commerce and economy. We also train people for trading from both public and private sector. We are involved in policy advocacy – advising the government on certain trade issues or giving replies to government queries on policies to be adopted or questions to be answered, especially those related to trade.

Q. In your observation what is the intra-regional trade between India and Bangladesh? Is there scope for more growth in trade? What are the challenges facing the growth in trade between the two countries?

The intra-regional trade in South East Asia constitutes only 5 per cent of the total trade of the region, which means, we trade more with outsiders than with the regional countries. There are historical barriers that are hindering the growth in trade. Also the change in governments also affects the trade. India is the largest trade partner for Bangladesh, economically and in all aspects. Bangladesh also has a special trading arrangement with Nepal and Bhutan since the British era for free movement of trade, but it is not fully explored. The SAPTA offers concessions accessible to all countries and then came SAFTA wherein there has been some progress in terms of duty cuts. The idea of these agreements was free trade agreement in south Asia among these few countries, but unfortunately there seems to be no improvement at all.

India and Bangladesh are very interested to grow trade, but the balance of trade and balance of payment between the countries is heavily skewed against Bangladesh, so India needs to improve its imports from Bangladesh. After a long persuasion India has agreed to implement partially the mandates given by WTO that developing countries should import duty free from Least Developed Countries (LDCs). Earlier India did not agree to this, but now it is allowing certain imports duty free.

of India raised this issue that it was a mistake and third country cargo movement should be allowed on this route because Bangladesh will benefit and the container owners will get more cargo. It will enable cargo to go directly to Pangaon Port instead of Chittagong Port. We have new port being developed at Payra. Mongla Port is also being developed, but currently it has draft issues, so the feeder vessels are not able to connect. But in this area a lot of cargo is available so if the coastal cargo movement can be started we can feed Pangaon, Payra and Mongla Ports. The importers and exporters will benefit by saving on freight cost and time."

Moving forward, Chennai Customs had issued a notice stating that coastal vessels will now get Import General Manifest (IGM)/ Export General Manifest (EGM) rotation number for transshipment containers. Chennai Customs has also given green signal to sea-air transshipment of cargo from Chennai to West Asia based on a proposal from Orient Shipping Line. Besides, the Chennai Customs is evaluating the possibility of allowing transloading (re-stuffing into new containers) of Bangladesh garment cargo for an exporter who wants to transship the cargo to UK via Chennai instead of Singapore.

Concor, India's largest container train operator has recently started its coastal service linking Deendayal Port Trust in Kandla with V O Chidambaranar Port Trust in Tuticorin with stops at New Mangalore Port Trust and Cochin Port Trust. The service will soon be expanded to east coast and will connect Bangladesh as well.

Bangladesh is all set to tranship its third country imports and exports via Indian ports rather than routing them via traditional transhipment hubs like Singapore or Port Klang which involves a lot of time delay. Since most of the exports from Bangladesh are ready-made garments, these are time sensitive cargo and should reach the market within the stipulated time, else the consignment stands a chance of rejection. A team of senior executives including members from BFTI recently visited Indian east coast ports to examine the infrastructure and connectivity for transhipment of third country cargo.

Q. What is the governments stand on improving infrastructure within the country, especially relating to facilitating the trade and improving the foreign trade?

The current government in Bangladesh is very serious about improving infrastructure and along with it goes connectivity through rail, road and river. IWTTP – Inland Water Trade and Transport Protocol has been renewed and the new protocol which is being extended not just between India and Bangladesh, but also to Nepal and Bhutan. The coastal Trade Agreement is also agreed to between India and Bangladesh for enhancing trade and rail connectivity has been re-established. With this growing connectivity trade should also increase.

Q. What is the scope of this study on east coast ports of India?

The coastal trade agreement that we are now working upon is a government to government agreement. During signing of this agreement Bangladesh insisted for including third country import and export. At that time India had refused, so it was signed as it is today, limited to flag vessels of both countries and goods between the two countries. it has not been successful because it has promoted only one way trade. Now India has agreed for moving third country import and export cargo on the coastal route. Bangladesh government has decided to examine individually to see how far it is practical to move third country cargo along with exim cargo. We are studying the infrastructure and efficiency of some ports on east coast such as Vizag, Krishnapatnam, Kolkata and Haldia, to see how it can be done. The study will assess the readiness of these ports in many aspects, for instance, which of these ports will be best suited for moving west bound cargo such as garments to the US, having a Middle East connection and Eastern side connection. We are also checking the probability of calling mother vessels to the ports. The focus is also on connecting Pangaon, Chittagong or Mongla to any of the four ports on the east coast using small feeder vessels. How beneficial this connectivity will be for shippers in Bangladesh as compared to connecting to Colombo or Singapore.

Q. On the face of it how logical is it that if third country cargo is allowed on these routes the trade momentum will pick up?

The drivers for this trade are the shippers, buyers and the terms of service. Until the service starts they cannot decide how profitable it is, but it has to start somewhere, so it is a chicken and the egg scenario. This is where we recommend from where to start and then observe for about six months or a year. We need to put the service in place and then we have to make efforts from the port and ship owners side to instigate them.

Q. Is it only the return cargo problem that restrains the success of the protocol route?

Yes, it is the imbalance in export and import cargo that is holding the success of the protocol route. Even some imports are using the land route even if it is more expensive.

"On the coastal route, if we are able to carry third country cargo the trade will definitely come forward to benefit from it. Exporters and importers are convinced and they will be very happy to save on freight and time. Timely movement of cargo is more critical than cost."

SK Mahfuz Hamid

Vice President, Bangladesh Container Ship Owners Association & Chairman, Coastal Ship Owners Association of Bangladesh

Q. What is the thinking of the government of Bangladesh and exporters and importers of Bangladesh for transhipment of third country cargo via Indian ports to Bangladesh?
Exporters and importers are convinced and they will be very happy to save on freight and time. We as businessmen know for the betterment of trade we have opened the coastal route with India, so there is no need to touch Port Klang, Colombo or Singapore. If one more window is opened by getting access to Indian east coast ports, then obviously we have more options. If the shippers see the benefits they will come and use the route, we are not going to force anybody.

Q. We have tried one service from your company earlier (about three years back), even though the intentions were noble, but the service failed to attract cargo? Why did it fail? What is the situation now and how can we make it successful?
Actually, we have not failed. We started in 2016 from Chittagong Port to Krishnapatnam Port, now we are doing Chittagong Port to Paradip. Every month 2-3 sailings are coming to Paradip and Kolkata from Chittagong Port and Pangaon Port. We can bring cotton containers from Krishnapatnam Port to Chittagong Port or Pangaon Terminal but on the return leg we are not getting cargo other than empties. Under this change in transhipment agreement we can bring our containers to Krishnapatnam Port and then move cotton and other cargo to Pangaon Terminal, Mongla Port or Chittagong Port.

Q. Do you have return cargo problem in Kolkata and Paradip Ports as well?
We have return cargo problem at Kolkata and Paradip Ports as well. We are carrying some empties from Chittagong Port. In shipping if I carry one way cargo then my cost will go up and I will have to charge my fright more, so my main intention is if I get both way cargo then I can easily reduce the freight. Now a days we have a lot of container vessels coming to Bangladesh on weekly basis. On coastal cargo movement if we are able to get permission to carry third country cargo the trade will definitely come forward to benefit from it. The trade will observe if they are able to manage the lead time by using this service, because timely movement of cargo is more critical than cost. The feeder vessel takes 4-5 days for connecting from Chittagong Port to Singapore. Coming from Dhaka to Chittagong Port takes another 2 days. The containers go to the off-dock and again it takes 4-5 days to reach Chittagong Port and to reach Singapore from Chittagong Port it takes another 4-5 days, while to reach Port Klang it takes 6 days, so it is this time consumed during transit that matters to the trade.

Q. How do you plan to convince the trade that the service is time and cost effective?
When we start we will talk to the customers and convince them by showing the difference in freight and time and if you find it profitable you are welcome to use the service. I believe, once we will start, gradually it will happen.

Q. How do the container shipping lines feel about transshipment through east coast ports of India?
The container shipping lines are very optimistic about the new service proposal. We have 12 coastal container vessels operational currently and the number is increasing day-by-day. We are waiting for the change in SOP, and when this service starts we are sure more vessels will start operating. More investments will come into this sector. We will have to buy bigger ships (about 400-600 teus to connect to Colombo. We are not saying that we want to stop sending vessels to Port Klang or Singapore, but transhipment through Indian ports will open a new window for us.

Majority of the shippers are located in greater Dhaka, so if we are able to use waterways, it will decongest roads specially from Dhaka to Chittagong port.

Q. You have visited most of the Indian ports on the east coast, what is your impression?
We are very impressed by the operations of Krishnapatnam Port, they are very smart and calculative in their operations. Believe they will become the transhipment hub for Bangladesh cargo. Chennai Port has some limitations and is a bit far away for us. Kolkata Port and Vizag Port also offer good services for moving Bangladesh cargo.

GST: Adversely discriminates Indian lines

Indian cargo lines are at a disadvantage when compared to their counterparts in other countries with regards to transportation of goods to India from foreign countries in case of CIF purchase by Indian importers

Bipin Kumar Verma, Executive Partner & Advocate
Satya Sai, Principal Associate, Lakshmikumaran & Sridharan Attorneys

GST as envisaged is supposed to simplify earlier complex tax structures, to bring uniformity of taxes and to eliminate the cascading effect of indirect taxes. In next few weeks, GST is going to complete 2 years from its introduction. Through this article, an attempt is being made by the authors to highlight one of the situation where-in the GST provisions result into discriminatory treatment for Indian shipping industry which warrants timely resolution.

CIF import of goods in India

The issue pertains to shipping of goods (containerised, liquid and bulk cargo) by India based cargo lines for import on CIF basis from outside India. The service of transportation of goods in a vessel attracts GST @ 5 per cent with input tax credit (ITC) of only input services. However, if the service qualifies as a 'zero rated supply' as defined under IGST Act, then the said service would not bear this GST incidence of 5 per cent and also the incidence of GST suffered on input services can be claimed as refund. Export of services is considered as a zero-rated supply under GST.

For a service to qualify as export of service, the place of supply (POS) should also be outside India in terms of the IGST Act. The POS in a case where the foreign exporter engages an Indian cargo liner for transport of goods to India, shall be India, being the destination of goods in terms of Section 13(9) of IGST Act. Consequently, the service of Indian cargo liner will not qualify as export of service. Therefore, if foreign exporter intends to engage Indian cargo liner for export of cargo from his country to India, then Indian cargo liner is liable to pay GST on its service. The said GST charged from the foreign exporter would not be available as ITC to anyone in India. Such GST will become a cost to the foreign exporter. Such cost will impact the CIF price and thus the import price of goods for Indian importers will increase and correspondingly there will be an increase in the import customs duty on such goods. Whereas, on the other hand, if the foreign exporter engages foreign cargo lines, then the GST will be payable by the Indian importer under reverse charge mechanism. However, ITC of the said GST paid under reverse can be availed by such importer and thus it will not be a cost for the importer. Customs duty on the import of goods in such case will also be comparatively lesser as the assessable value will not include GST on freight component.

Therefore, in case of CIF imports the parties would prefer engagement of foreign cargo lines as compared to Indian cargo lines as Indian cargo lines would be becoming un-competitive in view of present provisions of GST.

Further, it may be relevant to look at the tax treatment given by a foreign country with respect to such service of transportation of goods provided by the shipping company. In this respect, the analysis of UK VAT provisions, would show that the transportation services with respect to import and export transactions are completely 'Zero Rated Supplies' under Section 30 read with Schedule 8 of UK VAT Act, 1994. It means, the UK cargo lines would not be required to pay VAT (which is GST equivalent tax in UK) on their output supply of service. Further, they are also not to bear the incidence of VAT on their inputs.

It is very clear from the above analysis that Indian cargo lines are at a disadvantageous position when compared to their counterparts in other countries with regards to transportation of goods to India from a place outside India in case of CIF purchase by Indian importers. One of the possible solution could be making such transportation services provided by Indian shipping company to foreign exporters relating to import of goods to India as 'Zero Rated Supplies' by amending the POS provisions under Section 13(8) of the IGST Act to the extent that the place where goods are handed over for delivery is considered as POS in such cases.

Positioned among the global best

by Omer Ahmed Siddiqui

FY19 has been quite eventful at Vedanta, as the aluminium major has joined the league of global 1 million tonne production & export clubs. **Abhijit Pati,** CEO – Vedanta Ltd, Jharsuguda, details on the production operations and future expansion plans

How has been the aluminium business at Vedanta last year?
Last year we completed 10 years of operation at Vedanta Ltd, Jharsuguda and 2018 has been a year of significant achievements. Early in February, we broke into the global 1 million tonne production club, as India's first single-location smelter. We closed FY19 at a run rate of 1.39 MTPA, highest ever metal production till date. At 50 per cent, our value added products portfolio is strongly growing towards our vision of 100 per cent VAP. We crossed the 1 million mark in aluminium export volumes. Our stronghold on nearly a fifth of domestic primary market is stable and increasing. Our export volume to the American markets grew more than 80 per cent; in Asia it grew by 40 per cent and nearly 20 per cent in Europe, between FY18 and FY19.

What is the scenario of aluminium market in India?
India is the third largest primary aluminium producer in world, China and Russia being the top two. Out of global total primary aluminium production of 64.4 million tonnes in 2018, India produced 3.7 million tonnes. Today, the per capita consumption of aluminium in India is around 2.5kg, much lower than the world average of 12 kg and significantly lagging behind China with a per-capita consumption of 33kg on average.

India's aluminium consumption (both primary & recycled) in FY19 grew by 10 per cent over the previous fiscal, to reach 4 million tonnes. India's total primary aluminium import in FY19 was nearly 2.3 million tonnes, a 20 per cent hike over FY18, while scrap imports charted an almost similar increment to 1.35 million tonnes. Primary aluminium exports rose in an almost equivalent manner to nearly 2 million tonnes in FY19, against 1.7 million tonnes in FY18. With automobile, building & construction, and packaging industries expected to be major growth drivers, India's aluminium consumption is expected to grow at a CAGR of 7 per cent.

Tell us about the aluminium production operations of Vedanta?
Vedanta Ltd.'s aluminium business of 2.3 MTPA produces more than half of India's annual aluminium output, which currently stands at 3.7 million tonnes. The division comprises three operations – Vedanta Ltd., Jharsuguda, BALCO and Vedanta Ltd., Lanjigarh. The Jharsuguda aluminium smelter & power complex is the largest amongst the three, with installed smelting capacity of 1.75 MTPA. It is India's largest single-location aluminium and power complex, situated in western Odisha. Bharat Aluminium Company, or BALCO, houses a smelting complex of 0.55 MTPA at Korba, Chhattisgarh. Both these units are supported by Vedanta's 1.8 MTPA installed capacity alumina refinery at Lanjigarh.

Vedanta Ltd, Jharsuguda's production from smelters was 1.39 million tonnes last fiscal, which was the highest ever metal production in the company's decade long history, while BALCO logged 0.57 million tonnes in aluminium production.

Do you have plans to expand production capacity?
With an installed capacity of 1.75 MTPA, the Jharsuguda operation has a stable production run rate of nearly 1.4 MTPA. Our short-term plans are to operationalize the entire installed capacity in the next 2 years. On the product front, we intend to strengthen

our Value Added Product portfolio. We expect our signature downstream project to commence in the next 2-3 years. We are exploring the opportunity of building an Aluminium Park near the current smelting complex with the state government, which will create and nurture a vibrant downstream aluminium ecosystem, contributing to the national agenda of Make In India and making India self-reliant.

How much of the aluminium produced by Vedanta is consumed in the domestic market and what part of the output is exported?
Our products are used in a wide range of downstream industries like building & construction, automobiles, electricity transmission, foils & packaging, and so on. We produced 1.39 million tonnes of aluminium in FY19. We exported more than a million tonnes of products, mostly billets and ingots, to the global market marking a 40 per cent hike in our exports over previous fiscal. We clocked sales of 0.26 million tonnes in the domestic market, primarily through sales of wire rods, ingots and billets.

Which seaports do you use for exports? In terms of containers (TEUs) what is the volume being exported by Vedanta? Which are the export markets?
We use Kolkata, Vizag, Haldia and GPL for exports. In terms of TEUs, Vedanta Ltd, Jharsuguda exports 4.3 LMT to Asia, Americas and European markets.

How do you source raw material for producing aluminium?
We are based in one of the most mineral rich states in India. Odisha has all requisites for sustaining a thriving aluminium manufacturing setup. The major raw materials required for aluminium production are alumina and power. To cater to our power requirements, we have established 3615 MW of thermal power generation complex. For both alumina and coal, we prefer domestic supply. Our alumina requirements are primarily catered to by Vedanta Ltd.'s Lanjigarh refinery, and the balance is imported. Coal is sourced from Coal India Ltd. subsidiaries. As Vedanta Ltd., Jharsuguda is at the pithead of MCL, the greater bulk of our coal requirements is usually sourced from MCL.

How do you manage logistics between your factory and the seaports?
We rely on both road and railway networks for material and product movement to and from the plant. Nearly 85 per cent of export is done through railways. The usage of roadways is predominantly for transport of coal from mines to plant. We have a structured process for selecting ports to handle our inbound and outbound logistics. We assess infrastructure for handling specific raw materials, turnaround time, connectivity to rail and road networks, mechanized handling of material, minimal warehousing and direct evacuation of cargo to factory through rail. Amongst all of the aforementioned parameters, compliance in terms of safety and licenses is of paramount importance to us.

Are there any issues in service provided by freight forwarders and seaports?
Unavailability of technology savvy and stable manpower with freight forwarders and seaports has been a challenge. The manpower is migratory in nature, and there are frequently new members who take time adjusting to technology and business. Indian freight forwarders need to look to the global best for benchmarking and adopt best practices and best-in-class technologies. mg

INVESTING IN INFRASTRUCTURE

by Vijay Kurup

Hind Terminals has been operating container trains for the Punjab area for the past twelve years. **Dr L R Thapar**, Chief Advisor – Rail Projects at the company shares plans for foraying into the domestic container segment and also for making investment in the rolling stock to suit requirements

Q. As a CTO, how do you see yourself today from December 2005 when it all began? Are you comfortably placed?

As a CTO, our company has a category 1 license from the Indian Railways. We started our train operations in the year 2007. Even after 12 years of train operations, we are finding that the journey as CTO has been quite difficult and we expect it to be difficult in the near future.

Q. What changes, if any, would you like to see in the CTO policy? Are you comfortable with the current dispensation?

The basic policy for the CTOs' has been laid down in the Concession Agreement signed with the Indian Railways by all the Container Train Operators. ACTO with the consent of all the private train operators has suggested a number of changes that we would like in the Concession Agreement to the Railway Board about 3 years ago. The Railway Board has, so far, not incorporated the changes suggested by us. The problems of the CTOs are more with the implementation of the policy than with the policy itself from the very beginning. The CTOs have been requesting the Railway Board and other Ministries of the Government of India for providing a level playing field among all the operators. However, despite a provision in the policy, the success in this area has been limited.

Q. Are you planning to tap the e-commerce market in India?

e-commerce market in India is certainly growing and we would like to be a part of the growth of business coming our way. Planning and opening a large number of Logistics Distribution Centres across the country is certainly a desirable feature for ensuring a good reach for the Private CTOs in the country. However, establishment of any Logistics Distribution Centre is highly capital intensive. Therefore, we would like to have more distribution centres to the extent these are financially viable and operationally feasible.

Q. You have a new warehouse coming up in Kila Raipur, Punjab? Why have you selected that region which already has quite a few players?

We have planned a Private Freight Terminal (PFT) in Kila Raipur in Punjab. This terminal will include an ICD, a rail siding and the warehouses required for providing 'end to end' logistics. The region has been selected because Kila Raipur is situated on the feeder route to the Western DFC. When it gets commissioned in a year or so, it will be able to allow double stack container train operations from the ports to Punjab and vice-versa.

We have been operating container trains from Ludhiana area for the last ten years and have a substantial market share. Our decision to have our own ICD at Kila Raipur is aimed at consolidating our volumes.

Q. Do you have any plans for investment in rolling stock?

We have plans for foraying into the domestic container segment and also for making investment in the rolling stock to suit our requirements of growth in the domestic as well as EXIM segments in the near future.

Q. With DFC coming up sometime in 2020, what change do you see for yourself in particular and the CTOs in general.

With the DFC coming up in 2020, on the Western DFC, the container traffic will, primarily move on double stack trains. The movement of trains on DFC will be more than twice as fast as compared to the present movement. This factor will bring down the transit time of the traffic from the port to the hinterland and back. At the same time, customers can be assured of 'on time' delivery of their consignments in this region and also at the destination points The CTOs will be in a position to run trains to a schedule published in advance for attracting traffic from road to rail. mg

Reduced logistics cost is the USP

by Hemang Palan

Hitting at the bulls eye, Kerry Indev Logistics has a tailored service for every unique logistics requirement, offered at a reduced cost

Chennai-based logistics player, Kerry Indev Logistics has launched eight services, each catering to different B2B and B2C segments of Indian market under Kerry Indev Express brand. The pan-India services were recently launched in Mumbai. Dr S Xavier Britto, Chairman, Kerry Indev Logistics, said, "Our aim is to reduce the delivery-cost by atleast 10 per cent in the current competitive environment as our focus is to offer all services under one roof by eliminating the middle men." "We have pledged to invest ₹100 crore initially to kick-start 'Kerry Indev Express' - a door-to-door express service in metros and smaller towns of India. Over the next few years, we will invest a corpus of ₹500 crore for strengthening our last mile connectivity across the country," added Dr Britto.

Kerry Indev Logistics has also planned to raise funds through an IPO after two years to meet its future capex requirements. "Over the next few years, we will invest hugely in setting multiple procurement centres across length and breadth of India and also buy delivery-vehicles of various types in good numbers. We are not going to sub-contract our services to the vendors to control the Express services' delivery-costs," said Dr Britto. "And, we will focus on the optimum usage of country's inland-waterways to offer swift, efficient and low-cost logistics solutions. Also, India's Sagarmala project will continue to play a pivotal role in reducing the logistics costs. However, there is a dire need to have a separate Ministry of Logistics in India for the benefit of our sector," he added.

The Company's newly launched 'Express Service' solutions in India are likely to get immense support from the vast network of greater China's leading logistics player and a 51 per cent stake holder currently in Kerry Indev Logistics, Kerry Logistics Network – a Hong Kong-headquartered listed company engaged in third party logistics, freight services, warehouse operations, and supply chain solutions.

Robert Tan, Managing Director – South and Southeast Asia, Kerry Logistics Network, said, "Through our newly launched Express Service solutions, linking each and every part of India with leading Asian nations will be our upmost priority, as every day our 20,000 trucks deliver around total 1.8 million parcels in the Asian economies like Thailand, Cambodia, Vietnam, Hong Kong, Taiwan, Malaysia and Indonesia. Cross-border logistics support at highly competitive rates amongst the Asian countries will be the USP of 'Express Service' solutions in India. Also, Kerry Logistics is committed to developing an overland transportation network for road, rail and intermodal freight services in Asia."

Dr S Xavier Britto
Chairman
Kerry Indev Logistics

"Over the next few years, we will invest hugely in setting multiple procurement centres across length and breadth of India and also buy delivery-vehicles of various types in good numbers."

India's e-Commerce industry is likely to clock $120 billion turnover by 2020. This is expected to reshape the country's logistics landscape in the years to come. As logistics and e-commerce industries continue to complement each other, the launch of Kerry Indev Express services will also create huge employment opportunities in both, urban and rural areas of the country.

India-China trade: Logistics perspective

The debut edition of India-China Logistics Forum focused on growing Indo-China trade and the logistics efficiency east coast ports can offer

(L to R) **Stanley Tsang,** MD, Ben Line Agencies; **Ge Shangen,** Deputy General Secretary, Shanghai Association of Freight Forwarding; **Liu Feng,** Deputy General Manager, Anhui Bayi Chemical; **Julio Andres Diaz,** Commercial Planning Manager, Maersk Line

The debut edition of India China Logistics Forum organised in Shanghai saw an august gathering of trade and service providers. Presenting the welcome address, **Ramprasad,** Editor-in-Chief and Publisher, Maritime Gateway, invited the gathering to deliberate on ways to improve bilateral trade, identify ports to optimise cargo movement and collectively contribute to bring in more efficiency into the system. The first session of the day-long event focused on growing India-China trade and the role of east coast ports in offering time and cost efficient logistics.

Stanley Tsang, MD, Ben Line Agencies: How Maersk line has taken the advantage in operating into the NCT Terminal for a couple of years now?

Julio Andres Diaz, Commercial Planning Manager, Maersk Line: Krishnapatnam Port has played a major role in the development of one of our major products - the Chennai Express that connects from North and South China to India. India is a complex market so the dynamics of people's movement where our customers are placing their factories and how the logistics are developing in that country are something difficult to foresee for us. So we are trying to get closer to them by having a wider coverage. In this case, the east coast of India has helped us a lot. There are few industries that we have helped develop and they have also asked to grow our presence in India. Also there are few hinterland locations that we could earlier access through road or rail only, but by having a call on east India we have opened an alternative to the customers giving them the option to improve their transit time.

In terms of growth China is one of the key engines for Maersk and that's why the shipping giant is present in all the major markets of the country. Maersk operates through 44 warehouses in China and recently a new warehouse is established in Nansha. Offering a cost-effective and fast option to customers is the intercontinental rail. In India, Maersk has 12 mainline services calling and operates 60 inland acceptance ports. It connects to Ennore, Chennai, Vizag and Krishnapatnam Ports. To reduce uncertainties Maersk allows its customers to book in advance at a fixed price to make sure cargo gets on-board the intended ship without fail.

Stanley Tsang: How are you conveying the advantage to the shippers in the hinterland?
Julio Andres Diaz: Every time we develop a new gateway or landside service, there is a strong focus to inform the shippers about it. Majority of the time we ask the shippers to focus on these services to save time and cost. It is difficult for someone sitting in Shanghai to know that apart from rail service from Nhava Sheva to Hyderabad there is also a road option from Krishnapatnam Port. We are focusing on creating awareness around that, but there is still a long time to go.

Stanley Tsang: How do you see the trade ties between China and India, especially relating to the chemical business?
Liu Feng, Deputy General Manager, Anhui Bayi Chemical: The past 20 years witnessed great changes in markets. In 1990s, we exported a lot to US, Europe and Japan, dozens of containers every month. We experienced the change in logistics, which became a trend for the industry. We ship to India dozens or even hundreds of containers every week. If we ship to other countries a few containers, that can be counted as a big business in that country. If a country is very rich with a small population, the business or transactions wouldn't be big. So there are huge opportunities for china and India.

Stanley Tsang: What do you think is the biggest challenge for your business in India, regarding ocean shipping? What are you suggestions for the ports? What help you want to get from them to transport your cargo with lowest cost and fastest speed?
Liu Feng: We have done business with India for decades. We've seen its improvement. There are problems too. Chemicals is a heavily regulated business and requires professional handling. Ports may not be able to cope up with the requirements of chemicals. The challenge is, once you already have an established channel and you want to choose a new channel, you will be a bit concerned. It takes time for a business and a new set of logistics to get used to each other. We hope the people from Ports who will be in contact with us are more professional. I hope these people can study and be more familiar with different categories of chemicals or hazardous articles.

Stanley Tsang: What role can Freight Forwarding Association play in the China-India trade?
Ge Shangen, Deputy General Secretary, Shanghai Association of Freight Forwarding: The association aims to establish a platform for resources sharing, get the resources to our members, so they can develop and thrive. China has a big market with many forwarders, so we need to organize it orderly. Maersk said it well, we, freight forwarders are a bridge connecting the shippers and ports regarding modern services. Therefore we organize those forwarders on this platform. Education, training and coaching related to Customs policies, operation guidelines of ports, standards of handling chemicals or dangerous goods should be provided by our association. Once cargo owners have conflicts with ship owners and forwarders, our association will step up and coordinate.

Stanley Tsang: For example, I have a forwarder in china and I want to know the information outside China, like India. I have a few customers who have questions about Indian logistics, like Indian inland transportation or ocean shipping routes. Can your association provide consulting service to such cargo owners?
Ge Shangen: Yes. We gather all forwarders on this platform. Different forwarders have their strengths, for example, Sinotrans covers a wide range of service, like bulk cargo, chemicals, railway and air transportation. But its service quality may not be very high. Ocean shipping agency can provide many opportunities to shippers. We as a forwarder have deep expertise about the freight operations in India and you as a forwarder have question about that part. The association can match these two forwarders and the one with expertise can share their experience. So the association is a great boost to the China-India trade.

Stanley Tsang: NCT has its strengths in local operations, like its connection with customs, warehouse services, and so on. Traditionally you may use Chennai as a port, but NCT has many resources, low cost and connections to inland, ocean and railway transportation. You mentioned forwarders in China. According to my observation, when they recommend and introduce a new logistic system among peers, they may not mention NCT with its low cost and strengths because they may have a vested interest. I think the association can get more information from NCT, so you can spread the strengths and benefits to your members if they go to the hinterland of India possibly through ICD.

India-China trade: Emerging opportunities

The panel discussion focused on how the maritime fraternity can collectively benefit by reducing logistics cost and increasing transit efficiency

(L to R) **William Deng,** Country Manager-China, SARJAK Container lines; **Aliena Wan,** Partner Managing Director, Jilian Consultants; **Rick Wang,** Sales Manager, Zim; **Vinita Venkatesh,** Director, Navayuga Container Terminal

Vinita Venkatesh, Director, Navayuga Container Terminal: **What are your plans in terms of shipping services for the India-China trade?**

Rick Wang, Sales Manager, Zim: India trade is always our company's main focus and in moving trade between China, Shanghai and India we are among the 5 biggest carriers in the market. Solar imports from China to India started in 2014 and is moving to Nhava Sheva, Kattupalli and Krishnapatnam Ports. Though there are some fluctuations caused by tariff issue, but China is still the biggest solar supplier to India.

Vinita Venkatesh: **what is your perspective of the growth in solar trade? How important is China-India business to you?**

William Deng, Country Manager-China, SARJAK Container lines: SARJAK Container line is not very common in UVI industry. Many competitors are from China, but our customers are mostly Indians. NCT also hopes to ship more Indian cargo from its port to China. Many people think the import and export is not very transparent and process can be quite lengthy. You just mentioned earlier the necessity of removing tariff or non-tariff barriers in China. It will be easier for us to understand our business in India if we use the same mind set.

Affected by the China-US trade war, many business routes are moved towards Southeast Asia and India, especially heavy industries. We have seen a clear trend of heavy industries moving to India. Steel companies are quite capable here. India has very low cost of labour. Business focus on profits, but if your business is related to India, usually profits are not high. Many Indian companies ask for a real low price, like $5 or $10. But the volumes are large, so it is worth a try. In China we charge $50-100 for a container, but in India you may find $20-30 are enough.

Vinita Venkatesh: Could you elaborate on new investment in India by Chinese companies?
Aliena Wan, Partner Managing Director, Jilian Consultants: I have many Chinese customers like TCL, Sunny Optics, OPPO and Vivo whose suppliers have factories in India. Here road transport is a bit weak, but ocean shipping is fine. Old ports have their problems, for example, their Customs clearance speed is slow. My customer also informed me that there is a grey zone or non-transparency. The Customs are ready to help even with minor problems. NCT has a much higher operational efficiency than major ports. It's more open and transparent and doesn't have any grey zone.

We help Chinese companies set up business in India. The state with most potential is Andhra Pradesh and it has TCL, Sunny Optics, OPPO, XIAOMI, Foxconn operating factories as land price is cheaper. India has favourable investment policies. Big investments can bargain for refundable GST. That means your product is taxed 18 per cent and you can get 9 per cent back.

Vinita Venkatesh: Navayuga Container Terminal is today India's deepest container terminal with 16 meters draft, Super post-panamax QC's with twin lift operations are installed, a yard of 1.2 million teu capacity, our current volume is only half million teu. We are the first port in India to install a drive through container scanner. To ICD Bangalore we are connected with three trains every week.

Advantages for China trade at NCT: Direct connection from China into Krishnapatnam, two services every week – the Maersk and Safmarine CHX service which calls from Shanghai into Krishnapatnam directly and also tranships cargo into Kolkata and Haldia. HMM's ACS service also has space for ZIM and Gold Star Line.

Opportunities: earlier, all imports from Andhra Pradesh used to go via Chennai, so an empty container had to move from Chennai to up-north to the stuffing location and then the laden container moved back again to Chennai, which is a total of 830km. At NCT the cargo has to travel only 534km, which shows the time and cost advantage. Most of the pharmaceutical cargo into Hyderabad is going through Nhava Sheva which is a wrong direction for cargo movement from China to the west coast of India. If this cargo goes over Krishnapatnam, you can see the savings in cost and time.

Anil Yendluri, Director and CEO, Krishnapatnam Port gave an insight into his port. It is the second biggest port in India after Mundra and Adani and also the fastest growing private terminal in India. Krishnapatnam is also the biggest private sector port on the east coast of India. This year – the 10th year of operations of Krishnapatnam Port, it has over taken Chennai Port (a 200 years old port). Chennai Port this year handled 52 million tonnes of cargo and Krishnapatnam Port handled 54 million tonnes. The biggest container port in India – JNPT started operations 10 years back and it handles 5 million teus and total Indian ports handle 10 million teus, but Krishnapatnam started container handling only 4 years back and it is already handling half million teus.

Traditionally all the trade has been happening from eastern countries into India from the west coast, but that's not the efficient way. Trade from China, Japan, Vietnam and Korea into India has to go from east coast. Currently NCT handles 500,000 teus and if trade grows to even 6 million teus in future, none other than Krishnapatnam port can handle this growth.

"Logistics and supply chain management plays a pivotal role in nation's development, it acts as an enabler by making a country stronger," said **Anil Kumar Rai, Hon'ble Consul General of India Shanghai.** The last four decades have witnessed major improvements in the logistics and global supply chains, as a result, it has provided linkages for the developing countries to international markets. China is a great example of this transformation.

According to the latest UNCTAD Report on Trends in Global Trade in Services, transport and logistics sector has grown by 8.5 per cent, in comparison to the overall growth of 7 per cent for trade in services sector. In order to mainstream trade as growth enabler the developing countries are required not only to implement economic policies for increasing competitiveness of their enterprises, but also improve the logistics sectors reliability and efficiency. mg

WHERE EVERYTHING IS CONNECTED

Being a smart port is about collecting data from across the port ecosystem and transforming it into valuable insights to create customer value, says **Raoul Tan**, Business Manager, Digital Business Solutions, Port of Rotterdam

Q. How do you define a Smart Port?
For me a Smart Port is about creating customer value in the most efficient, sustainable and safest way. Of course, today's technology brings huge potential to the table but in the end it has to be contributing to the core values of the port, the port operations and the port community. Smart ports need to collaborate and co-create within the global supply chain, connecting all parties, to eventually become an ecosystem of ecosystems.

Q. You mentioned customer satisfaction, safe way of handling things and efficiency. In these areas what is the role of technology?
The Port of Rotterdam has implemented a Port Community System that enables all parties within the port community to act as a single entity and to exchange and re-use data in a secure and standardized manner. We have equipped the entire port area with sensors that get a lot of data, which we combine with operational information and public information and we use Artificial Intelligence and Machine Learning algorithms that allow the Harbour Master department to more precisely predict the best time to berth or depart depending on water conditions while still guaranteeing maximum capacity utilisation.

Q. Port and other stakeholders generate huge amount of data. How do you use this data?
You need to have good quality of data along with the right standards and the right definitions to be able to interpret data and to exchange data between several systems.
I always perceive it as a closed circle where it starts with data, turning into information, turning into valuable insight and in the end take action based on those insights.

Q. Can you share an example on how this data is used and re-used for bringing efficiency?
We have introduced a port call optimisation programme within the Port of Rotterdam, wherein a data exchange platform is developed based on the data definitions introduced by the International Taskforce for Port Call Optimisation, which is driven by the industry. It brings efficiency by enabling all parties involved in a port call to collaborate by sharing standardized information about their port operations in real-time. We combine data from all parties in the port and everybody has an overview of what is about to happen but also if something unplanned occurs a notification is released so they are able to adjust their planning, which has proven to result in lots of efficiency and environmental benefits.

Q. For stakeholders time and cost efficiency are the two things they consider while dealing with a port. Are the port users able to identify these benefits?
Both at the port authority and in the port community everybody is getting aware of the value that is in collaboration and sharing of data. On the other hand not everybody starts off with immediate benefits to an initiative, we have a principle called the coalition of the willing, so we see which parties are sharing our vision and we cooperate with these parties to have proof points so that others will see the benefits and will join eventually.

Q. When you look at the newly developing hub ports in countries like India and Africa, the initial interest was into developing physical infrastructure. Where do you see them getting onto the digital infrastructure?
The first step should be to develop a strategy. We developed the connected port strategy and a model and step-by-step approach on how to implement this. We also use the model of Port of Rotterdam to mentor our port authorities on digital strategy and developments. We are happy to interact with other port authorities to share our knowledge and solutions.

Q. What is port forward?
We have bundled all the smart solutions that we have developed and these add up to the Port Forward portfolio. These are smart, data-driven solutions and models built on open platforms, aimed to connect and facilitate interoperability. Our Port Forward solutions, knowledge and best-practices are open for all ports around the globe to see what will be the business value when these solutions are implemented in their ports.

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THE GLOBAL GATEWAY TO TRADE

AXEL MATTERN
Chief Executive Officer,
Port of Hamburg

The Port of Hamburg lies at the centre of international transport routes. With its dense network of more than 100 worldwide liner services and well-developed transport links it serves the growing trade for Germany and European neighbours with ease

Q. How has been the business at the Port of Hamburg last year?
With a cargo handling volume of 135.1 million tons of seaborne cargoes, Germany's largest universal port reached a respectable result for 2018. Hamburg successfully asserted itself in a difficult environment, achieving a distinct advance on rail borne seaport-hinterland transport. In 2018, this category accounted for a total of 46.8 million tons – up 2.7 per cent – and 2.44 million teu – up 4.7 per cent.

Q. Where does the port stand on performance efficiency parameters – turnaround time, loading, unloading and clearance of cargo?
Germany's largest universal port contains over 75 terminals, handling over 18,000 ocean-going and inland waterway ships per year. For the Elbe and port pilots, the 65 per cent increase in the number of calls by extraordinarily large vessels – German: AGFs – represents a challenge. Whereas in 2008 not quite 600 ships in this class berthed in Hamburg, meanwhile more than 1000 do so. In the view of Port Captain Jörg Pollmann, in a growing number of traffic situations requiring regulation, maximum safety can only be achieved through proactive movement control coordinated with all traffic participants. Further expansion of cooperation between those responsible for traffic control in the Federal Waterways and Shipping Administration, Hamburg Port Authority (HPA), the port and Elbe pilots, and the Hamburg Vessel Coordination Center, should in future involve incorporation of ships and pilot stations in the German Bight in mobile data traffic. A 'Port Traffic Center' will ultimately ensure data flow and intelligent networking of all carriers.

Q. Tell us about the smartPORT concept?
Under its 'smartPORT' umbrella, Hamburg Port Authority has pooled numerous projects that test digital technologies for their process suitability. Thereafter these are introduced into day-to-day port operations. This is true, for example, of the automated slot management that coordinates truck movements to the terminals, ensuring an even spread throughout the day. In Digital Hub Logistics, a Hamburg initiative, established port and logistics companies are working side-by-side with start-ups and research institutes, some international, on the future of the industry

Q. How is the connectivity and cargo movement between Indian ports and Port of Hamburg?
Ten liner services connect the Port of Hamburg with ports in India. Four of these ten services are container services and three are transporting all kind of non-containerized cargo, including high and heavy cargo. The following shipping lines are offering services connecting Hamburg with ports in India: ANL, APL, Chipolbrok, CMA CGM, Cosco Shipping, Hamburg Süd, Hapag-Lloyd, Höegh Autoliners, Maersk Line, MOL RoRo, MSC, NYK.

There are liner services connecting Hamburg with the following ports in India: Nhava Sheva, Mundra, Mumbai, Chennai, Ennore, Kolkata, Cochin, Kandla, Visakhapatnam, Hazira and Haldia. The Shipping Corporation of India is partner of MSC and offers services from and to Hamburg, too.

Q. To which of the global markets can Indian exporters connect through the port of Hamburg?
Indian exporters can connect through the port of Hamburg to all regions of Germany and the European states in Scandinavia, the Baltic Sea region and the North Sea region. mg

MUMBAI: No Respite in Global Maritime Rankings

Mumbai is the only Indian maritime city which has been featured by the Menon Economics report in its latest publication on Leading Maritime Capitals – 2019. Mumbai, though ranked 18th overall in objective indicators of 50 cities covered in the report, it has been so poor in certain very important parameters such as transparency/corruption, entrepreneurship and ease of doing business which can negatively impact the credibility of the largest port city in India in the global maritime arena.

The Menon's report has taken five basic pillars – Shipping, Finance and Law, Maritime Technology, Ports and Logistics and Attractiveness and Competitiveness – to assess the city's potential in shipping infrastructure and services.

Ease of Doing Business (EODB) has gained a lot of significance across the globe to assess a government, a company or an agency to find out how easy it is to work with such entity in doing business. In this parameter, Mumbai ranked at 45 out of 50 cities. In Transparency/Corruption, another important parameter, Mumbai ranked even lower at 46. The city stands at bottom of the rankings in Entrepreneurship. Despite being home for many business houses, Mumbai is still lagging behind in maritime entrepreneurship which needs to be improved to take the city to the next level.

Another important parameter in maritime business is Burden of Customs procedure. To achieve the goals of handling volumes and deliver value, it will only be possible when the Customs procedure is conducive and proactive. Mumbai stands at 44 out of 50 ranks in burden of Customs procedures which clearly shows how the city is positioned badly in this parameter. Quality of port infrastructure is also lacking at Mumbai's port as it stands at 48 out of 50 cities in this pillar of assessment.

However, Mumbai, has been ranked favourably at 3 for having a high number of shipping companies in the city, 9th rank in classified fleet, 10th rank for having listed companies, 12th rank in for fleet size owner and 13th rank for fleet size – management etc. mg

	SHIPPING				FINANCE & LAW								MARITIME TECHNOLOGY					PORTS & LOGISTICS				ATTRACTIVENESS & COMPETITIVENESS			
City	Fleet size - management	Fleet size - owner	Fleet value - owner (in $bn.)	Number of shipping companies	Legal experience	Number of Maritime Lawyers	Insurance premium	Mandated loans	Shipping banks portfolio	Number of listed companies	Market value listed maritime companies million $ per exchange	Trading volume of equality on city's stock exchange	Shipyards (CGT)	Classified fleet	Market value of ships built at shipyards	No. of patents	Maritime Education Institutions	TEU in port	Total cargo	Port handling by operator	Quality of port infrastructure, country level	Ease of doing business	Transparency / corruption	Entrepreneurship	Burden of customs procedure
Rotterdam	11	13	12	6	17	8	14	2	8	20	-	-	7	-	18	8	2	11	4	3	1	28	7	1	5
Singapore	2	3	4	2	3	9	3	-	13	7	7	5	6	16	5	14	5	3	3	4	2	1	2	6	1
Tokyo	5	2	2	5	13	29	2	5	2	4	5	11	16	2	14	2	16	15	13	6	25	29	16	19	24
Hamburg	3	4	3	4	2	10	11	-	12	-	-	-	13	11	11	3	3	10	17	9	16	24	9	16	17
Hong Kong	4	5	17	10	5	11	27	-	-	3	10	2	20	-	16	-	16	5	7	1	3	3	14	22	3
Shanghai	7	6	5	13	19	18	5	-	-	5	2	4	2	18	3	24	13	2	2	2	35	34	39	25	32
London	6	10	13	12	1	1	1	6	9	11	4	8	37	4	-	4	1	21	30	-	16	15	9	3	14
Busan	9	28	33	14	40	48	23	-	-	6	6	7	1	7	1	1	31	4	1	-	29	4	30	17	32
Dubai	8	16	26	8	9	17	10	-	-	20	9	6	17	22	-	-	16	7	18	5	4	18	28	41	3
Osla	21	11	7	19	10	20	8	1	4	2	8	3	27	1	-	6	10	-	-	-	16	6	5	33	18
Beijing	34	22	22	37	40	29	7	-	1	14	-	19	37	6	-	-	31	-	9	-	35	34	39	25	32
Houston	32	26	16	29	25	16	40	-	-	-	-	-	30	3	-	13	24	32	15	-	8	8	21	7	6
Athens	1	1	1	1	6	3	38	-	11	16	19	14	29	14	-	-	3	22	-	-	44	44	35	42	46
Antwerp	28	21	20	25	25	8	12	-	-	20	12	17	36	-	-	18	7	12	16	-	7	23	15	36	18
Copenhagen	10	9	9	17	10	37	42	-	8	12	3	10	37	-	-	20	13	-	-	-	15	2	1	15	18
New York	33	17	11	19	3	2	4	4	7	1	1	1	33	-	-	14	31	17	22	-	8	8	21	7	6
Seoul	15	20	30	15	25	26	28	-	-	9	18	9	23	12	15	24	7	19	21	-	35	46	37	46	32
Mumbai	13	12	23	3	32	31	20	-	-	10	17	15	21	9	-	-	31	18	29	-	48	45	46	50	44

FUTURE TALENT

Developing bench strength takes time but is arguably the best investment we can make in our businesses

by Sanjay Tiwari, Partner, 21CC Recruitment and Training Pvt Ltd

Over the past several months I have had the opportunity to work on people development with two companies in the logistics space. In spite of being in the logistics space the companies are quite different, both in the nature of their business and in terms of their presence.

One is a home – grown Indian logistics company with a rapidly expanding International presence, and the other is the Indian branch of a very large multinational logistics company. The Indian company is keen on educating its teams to better understand international decision making and cultures as it seeks to penetrate markets in Europe, North America and Asia, while the Indian outfit of the multi-national is keen on developing future business leaders for its asset heavy business in India.

Both companies take the development of their next generation of leaders seriously, realizing that if they are to fulfill their potential in the Indian market and abroad they will need leaders who can take decisions independently, making tradeoffs between decisions that may at times seem contradictory, such as revenue generation and cost control. They will need people who can attune themselves to the demands of an international customer base and interact in a way that may seem counter - intuitive, even non - Indian at times. They will need to be able to man-age diverse teams, both in India and internationally.

Developing bench strength takes time but is arguably the best investment we can make in our businesses. Logistics in India is set for takeoff and will require hundreds of thousands if not mil-lions of warehouse managers, load planners, asset managers, network managers and sales managers. As the pace of business quickens, becomes more complex in terms of customer demand and also expands geographically our frontline managers will have to take decisions quickly and independently. There won't be time for traditional command and control type decision making processes, sending a query up the ladder and waiting for a decision. Training leaders to act independently therefore is key.

What has been noticeable and truly energizing in the work with both companies has been the eagerness with which people participate in training sessions. There is a drive and keenness to learn and adapt that is indicative of peoples' intent. They're not in the classroom or online be-cause of their employer but for their own good.

The best methods to impart this training include techniques such as working through business cases. As mentioned in previous columns in Maritime Gateway gamification via e-learning or mobile learning is a relatively inexpensive but effective way to train large numbers of people.

Getting managers raised in a very Indian setting to adapt their working style is not easy of course and will take time. In one of my next columns I will write about the many things that Indian logistics managers can learn from their foreign counterparts, but also what Europeans, East Asians and North Americans for example can learn from Indians.

Driving digital transformation in shipping

"We see an ongoing trend in the industry to increase the investments in technology and by this to modernise processes," reveals **YiCheng Liu,** Senior Sales Manager at Hanseaticsoft

Q. Which of the global shipping lines are using your solutions? How are they benefitting from the technology?
Until now more than 50 shipping companies have chosen our solution, Cloud Fleet Manager, to manage their vessels, streamline processes and increase efficiency and collaboration. To give you an example: OSM, UASC, ZEABORN, Peter Döhle and NSC are just a few of the companies that trust in CFM.

The main benefits they achieve using our solution is the ease of access to and distribution of information, enhancement of overall data quality, the integration of their fleet directly into all processes, boosted efficiency and increased collaboration both internal as well as with external partners and stakeholders. By centralising data and optimising processes, companies that choose our solution can not only save time but especially money.

Q. How has been your experience in making shipping companies migrate to cloud-based technology?
Most companies realise the benefits a modern software solution has to offer very quickly.
Some companies might be reluctant to adapt new ways of working in the beginning but as soon as we give them a demonstration of the system and they see how easily they can switch from paper-based processes to digital and how many benefits this brings along, any doubts vanish quickly.

Q. Which of the global shipping lines do you consider as tech-savvy?
At the very front, I would say is Maersk. They have been on the forefront of modernising their processes and launch new digital projects on a regular basis. Another good example would be OSM. With projects such as their Maritime Operations Center to connect all its data sources from around the world it is modernising its way of handling processes constantly - future-proofing its business.

Q. Operational cost is a major concern for shipping lines. How can your technology help in controlling it?
Offering companies one central and cloud-based place for their data means that everybody involved always has access to data relevant to them without the need to request or forward information. Additionally, all data can be accessed regardless of the user's location since all you need to login is an internet connection. Just to give you a benchmark: In general employees spend about 25% of their working hours simply looking for or forwarding information – if this time can instead be used to work productively, a huge saving is guaranteed.

You don't have to buy any additional hardware, take care of servers or pay costly maintenance or up-front fees. And with Cloud Fleet Manager you have the additional benefit of Software as a Service (SaaS) meaning that you can simply pick and choose the applications right for you without having to buy the whole suite – only paying a monthly fee for the modules that you use.

Q. Which of your cloud fleet manager applications are more popular among the shipping lines?
We have two solutions that stand out regarding their popularity. One is our Cloud Crewing solution, which is the first module that we released, offering the most extensive range of features available in the market to take care of all crew related procedures in one place.

The second one is our Inspection Report which enables the inspection of vessels simply using a mobile device such as smartphone or tablet. With no need to bring a clipboard, pen, paper or camera with you, the benefits this brings are obvious. Inspections are finalised in hours instead of days and processes and tasks can be handled way faster than doing it the traditional way.

Q. What is the share of technology in the budget of a shipping line? Going forward do you see the spend on technology increase?
In general, the budget for technology is still quite small but there is an ongoing trend for some years now with companies investing more in technology and emerging trends such as VR or AR that can for instance be used for trainings. mg

COMBATING CLIMATE CHANGE

Industry leaders deliberate on global warming and its impact on shipping industry, approaching IMO 2020 Sulphur fuel cap and the high cost of compliance, Asian economies reshaping the world trade and growing trade on the Far East – ASEAN route

Impact of global warming is becoming more obvious on the shipping sector, global terminals are struggling to catch up with growing size of container vessels and misbalance in movement of boxes due to US-China trade war, were some of the key points **Jeremy Nixon, CEO, Ocean Network Express (ONE)** touched upon during his keynote address at the TOC Asia Container Supply Chain Conference.

Global warming has led to more cyclones and typhoons rumbling through key shipping lanes, disrupting shipping and terminal operations. On the markets, Nixon admitted that there was an economic slowdown, but he was adamant it was not a slump. He predicted supply/demand to tighten in 2019.

Nixon was confident of a close soon to the US-China trade war, noting how the spat had exacerbated the equipment imbalance on the transpacific where one in two boxes leaving the US back to Asia is now empty. Another growing supply chain headache for liners, Nixon said, are with terminals across the world that have struggled to keep up with the supersizing of box ships. "The speed at which they're adding terminal capacity globally is not keeping up, especially in Europe, America and even in Asia," Nixon said.

Alan Murphy, Chief Executive, Sea-Intelligence Consulting, pointed at falling carrier schedule reliability that fell to record-low levels in 2018 – the worst in seven years since the analyst began recording reliability data. "Service levels have been very bad, especially on the transpacific trade where two out of three vessels arriving are more than a day late," Murphy said. Comparing the reliability between the three major carrier alliances, he said in the past THE Alliance had struggled, but that now we're seeing a close in that gap because unfortunately the other alliances are going down, rather than THE Alliance going up."

"Doomsday predictions surrounding the IMO 2020 sulphur fuel cap and the impact on container lines are unfounded," according to **Tan Hua Joo, Chief Analyst, Alphaliner.** But there's been some pretty catastrophic predictions being made, and while there's a lot of uncertainty on IMO 2020, I don't think these dire predictions are entirely justified, he said. Estimates of the new regulation costing up to $50 billion were overblown, and instead placed the cost at around $10 billion on an annualised basis, adding that this would be the "top end and the likely cost will be much lower."

Furthermore, Tan said, carriers have shown resilience in the past in overcoming some major challenges wrought by new regulations. The build up to the Sulphur Emission Control Areas in 2015 and the VGM in 2016, for example, both entailed similar confusion and apparent lack of preparedness – but nonetheless both events passed with almost zero market disruption and high compliance, he said. "Having said that, a $10 billion bill is still an extremely large one for the industry to bare, and it's suddenly the costliest IMO rule that's ever been attempted," he added.

As the ASEAN "tiger economies" continue to reshape the world's largest container trade, some domestic shippers are questioning the industry's march towards ultra-large container vessels, noted **Han Ning, Director, Drewry.** With 31m teu and 100 port pairs, intra-Asia accounts for roughly one-in-four boxes shipped worldwide every year. The rise of the "ASEAN tiger" economies is deepening the region's trade ties, particularly between South-east Asia and the Far East's "older tigers" of China and Korea, said Han Ning.

"Logistics providers in Asia will experience a very lucky period compared with the long-haul trades. Long-haul routes from ASEAN stayed stable, other routes are losing market share and the only trade with remarkable growth is Far East–ASEAN," she noted.

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A DEEP SEAPORT IN THE OFFING

by ASL Narasimha Rao

Payra deep sea port is being developed to enable Bangladesh to accommodate large draught vessels directly rather than requiring transshipment from Singapore or Colombo, which can deliver major savings in transit times and costs for both import and export

At the time of its formation Bangladesh had two ports - Chittagong and Mongla which carry most of the international maritime trade. Over the years, the country has felt the need to have a deep-sea port, as its current ports are too shallow for handling large container ships.

Thus the development of Payra deep-sea port has been initiated on the west bank of Rabnabad Channel. This project is part of the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC), which was initially put forth under China's Belt and Road Initiative. However, India, which has not signed on to the BRI, has financed the development of Payra Port.

Payra deep sea port will accommodate large draught vessels directly rather than requiring transshipment from Singapore or Colombo, which can deliver major savings in transit times and costs for shippers. The port is expected to handle 75, 000 containers a year when it becomes fully operational.

The port is partially constructed and began basic operations in August 2016. The full port construction project will have 19 separate components, 13 of which will be implemented under foreign direct investment, and six of which will be financed through government-to-government deals. The total cost of the port is estimated to be between $11 billion and $15 billion. In November 2015, the government had sanctioned Taka 1,128 crore ($143.37 million) to begin construction of the port.

The port is being developed in three stages. The port will have a 16 meter channel, all terminals would be constructed, and associated facilities including an EEZ, airport, port city, dockyard/shipyard, and eco-tourism facilities would be in place. The port will also have strong rail, road and waterway links to the capital Dhaka. A coal-based power plant is also being constructed to power the port and port city.

In December 2016, the China Harbour Engineering Company and China State Engineering and Construction Company (CSCEC) were awarded contracts worth $600 million to develop two of the 19 components. CHEC will construct the main port infrastructure including terminals, and CSECC will be responsible for riparian aspects, the construction of housing, healthcare and education facilities around the port.

The first phase of the Payra green field port development involves capital dredging works, which will be carried out by Belgium's Jan De Nul Group's subsidiary Payra Dredging Company Limited (PDCL) under a PPP framework agreement. It is estimated that about 94 lakh cubic metre dredging works to be carried out to sustain navigability of the port.

DP Rail, a UK-based company, will design, finance, build, operate and maintain the rail link between Dhaka and Payra Port. Consultancy firm Royal Haskoning DHV, together with Bangladesh University of Engineering and Technology (BUET), have been selected to develop a detailed master plan, and design for the port.

In April 2019, the government has entered into agreement with joint venture of three Korean companies including Kunhwa Engineering and Consulting Co Ltd, Daeyong Engineering Company and Hareem Architect and Planners Company Ltd to appoint a consultant for Payra Port's first terminal construction. The three companies will work as the main supervisor while Bangladeshi company Symbiotic Architect will work as sub-supervisor.

The development of a deep seaport at Payra has the potential to turn Bangladesh into a regional hub of trade and connectivity, as it can link north-eastern states in India and landlocked Himalayan nations Nepal and Bhutan.

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NATIONAL PORT MASTER PLAN (NPMP)

by ASL Narasimha Rao

NPMP project is driven with the objectives of guiding the port sector to reinforce its capacity and competitiveness in the global market, and to ensure that the port infrastructure is developed and operated in an optimum manner in line with long-term planning up to 2050.

Sri Lanka plays a significant role as a regional transport hub because of its strategic location and needs to keep strengthening the ports' capacity and competitiveness in order to maintain its role despite severe competition from the ports of other nations. The preparation of a master plan for the port therefore, became an imminent task for the country.

The Asian Development bank (ADB) approved technical assistance grant to initiate the National Port Master Plan (NPMP), which is financed with $ 1.5 million by the Japan Fund for Poverty Reduction. Launched in August 2016, NPMP project is driven with the objectives of guiding the port sector to reinforce its capacity and competitiveness in the global market, and to ensure that the port infrastructure is developed and operated in an optimum manner in line with long-term planning up to 2050, as well as to identify short-term priority projects for the Port of Colombo and Port of Trincomalee.

The master plan was developed by Maritime and Transport Business Solutions (MTBS), a consultancy firm from the Netherlands. The policy document was prepared with the assistance of NIRAS Gruppen A/S which provided analysis and planning for the project. NIRAS provided technical support for the preparation of development plans for the ports of Colombo and Trincomalee, concept designs for expansion proposals in Colombo including passenger terminal, South Port and North Port, as well as concept designs for port of Trincomalee including Oil terminals, and dry bulk terminals. NPMP was prepared and submitted to the government in December 2018.

The government has engaged relevant stakeholders in consultation with Lanka Ports Authority (SLPA) to move forward and embark on the implementation of NPMP with an accelerated development path for the ports that come under SLPA.

The SriLankan Minister of Ports, Shipping and Southern Development Sagala Ratnayaka stated that "The Port Master Plan done by the ADB has laid out the path to get about doing it with a vision and mission. Therefore, we have got to make the decisions and move forward".

The NPMP plan is prepared to ensure that the port infrastructure is developed and operated in an optimum manner in co-existence in urban areas in line with the long term planning of the country. The two phases of NPMP looked into policy directions and individual port developmental plans. It has also been prepared in harmony, synchronising with the other plans and studies and especially the economic corridors that were prepared under the ADB assistance. The plan has initiated a comprehensive development plan for the Colombo and Trincomalee economic corridor and seeks to address regional imbalances in the country through regional development and by extending the string of western regions to the other end of the corridor and also along the corridor.

The master plan is expected to show direction and boost port development in Sri Lanka, as some of the key projects mentioned in the plan have already been identified by the government. As per the plan the Sri Lankan government has started developing three terminals including the Jaya container Terminal (JCT), South Asia Gateway Terminals (SAGT), and the Colombo International Container Terminal (CICT) of the Colombo South Port. SLPA will start developing the East Container Terminal of the Colombo Port, once the technical evaluations are completed to ensure that there will be no harm to the West terminal. The Oluvil port will be developed for fisheries and the Kankesanthurai (KKS) port will be developed under a $44 million credit line from India. The KKS port will comprise two terminals for naval and port related activities and an industrial zone. The SLPA has received one billion Yen from Japan to commence night navigation in the Trincomalee port.

NEPAL-CHINA RAIL

by ASL Narasimha Rao

Nepal and China have proposed to speed up the development of cross-border railway line connecting the Tibetan town of Kerung with Kathmandu, after the second Belt and Road Forum for International Cooperation (BRF) held in Beijing recently.

China is Nepal's largest source of foreign direct investment and its second largest trading partner. The trade between the two countries in 2018 was $1.29 billion. In the recently concluded second Belt and Road Forum for International Cooperation (BRF) held in Beijing, China has expressed interest to strike bilateral deals with countries in India's neighbourhood, instead of its earlier acknowledged multilateral Bangladesh, China, India and Myanmar (BCIM) corridor project. China has struck a bilateral deal with Nepal and now ready to take up trans-Himalayan multi-dimensional connectivity network, including the Nepal-China cross-border railway, under the Belt and Road Initiative (BRI) to further cement its trade relations with Nepal.

Nepal, the landlocked nation has so far been dependent on its neighbour India for international trade. Of late, with change in government, the Nepal Communist Party (NCP) led government has now leaned more towards Beijing and therefore, China is slowly emerging as a viable alternative to India for Nepal. Moreover, China proposed to build a cross-border railway line between Lhasa in the Tibet Autonomous Region (TAR) and Kathmandu by 2022, with an apparent aim of reducing Kathmandu's dependence on India.

Kerung-Kathmandu-Pokhara-Lumbini route

In June 2018, Nepal Prime Minister KP Sharma Oli on an official six-day visit to China has signed an accord to develop a cross-border railway line that will connect the Tibetan town of Kerung with Kathmandu. Based on the agreement between the two nations, Nepal and China have proposed to develop a cross-border railway line connecting the Tibetan town of Kerung with Kathmandu. The 72.25km stretch railway line is expected to connect China with Kathmandu.

The Kerung-Kathmandu-Pokhara-Lumbini route in Tibet will eventually link with the Qinghai-Tibet railway, which connects to other railways that run east toward Shanghai in China, the financial and international trade centre. The cross-border railway line will enhance the growth of cross-border trade between other South Asian countries like Bangladesh and Bhutan with China via Nepal. The rail link can help the country get through the Himalayan barrier to enhance its interaction with the outside world and will also bring an end to the landlocked country's dependence on India for third country trade.

The feasibility study for the cross-border rail connectivity was completed in December 2018, and the project is estimated to be completed with an investment of about $4 billion. However, in the study, the technicians had concluded that connectivity will not be easy as dozens of tunnels and bridges will have to be built in hilly terrain. As per the feasibility study, around 98.5 per cent of the railway would either be bridges or tunnels, and construction cost would be ₹3.55 billion per kilometer. The report stated that engineering crew would build ramps along the northern and southern slopes leading to Lake Paiku, near Kerung, to connect tracks to the Kathmandu section. The ramps would overcome the huge difference in elevation between the southern and northern toes of the mountains.

Both countries have initiated preparation of the detailed project report (DPR) for the railway line. Nepal has sought a Chinese grant to prepare the DPR of the Kerung-Kathmandu cross-border railway line in May 2019. The DPR is expected to be completed in two years, with an estimated investment of 35 billion Nepalese rupees ($312 million). Both countries are now resolved to take forward the project. mg

Indian coal imports increased

Provisional data by mjunction services shows that India's coal import increased by 8.8 per cent in 2018-19. India's coal and coke imports during 2018-19, through 31 major and non-major ports, are estimated to have increased by 8.83 per cent to 233.56 MT as compared to 214.61 MT imported in 2017-18. Non-coking coal imports were at 164.21 MT in 2018-19, about 13.25 per cent more than the 144.99 MT recorded in 2017-18. Coking coal import was almost flat at 47.73 MT compared to 47.22 MT in 2017-18.

Indian exports witness more of high-value products

According to the Reserve Bank of India's (RBI) recent bi-monthly monetary policy statement for 2018-19, there appears to be a discernible shift in India's export basket to high-value products. It emphasises that there is a definite trend of the country's exports moving away from primary and traditional low value-added exports to higher value-added manufacturing and technology-driven items. Comparing key export items during the 2011-12 to 2018-19 period, the statement points out that there has been a significant increase in the shares of chemical and related products and engineering goods.

Iraq continues to be India's leading oil supplier

Iraq has for the second year in a row become India's top crude oil supplier, meeting more than a fifth of the country's oil needs in 2018-19 fiscal year. According to data sourced from the Directorate General of Commercial Intelligence and Statistics, Iraq sold 46.61 million tonnes of crude oil to India during April 2018 and March 2019, 2 per cent more than 45.74 million tonnes it had supplied in 2017-18 fiscal. India provisionally imported 207.3 million tonnes of crude oil in 2018-19, down from 220.4 million tonnes in the previous financial year.

Cotton import may rise by 80 per cent

According to Cotton Association of India (CAI) report, cotton import this year is likely to rise by 80 per cent during October 2018 to September 2019 due to short supply of quality material for textile mills. It forecasts raw cotton import to be at 2.7 million bales (one bale equals 170 kg) for the season, compared to 1.5 million the previous year. Similarly, another industry body, Confederation of Indian Textile Industry (CITI), has estimated total import at 2.4 million bales.

Record export of electronics items in India

India's electronics items export jumped by 39 per cent to a record value of $8.9 billion in 2018-19, as against 12.3 per cent in the previous year. DGCIS data also shows that between April and February 2019, export of telecom instruments including mobile phones surged a massive 129 per cent year-on-year to $2.4 billion, emerging as the largest segment in the category.

Exports to Maldives discharged from domestic restrictions

According to an official notification issued recently by the Directorate-General of Foreign Trade (DGFT), exports of specified quantity of essential commodities to the Maldives have been exempted from any kind of domestic restrictions or prohibition in the current fiscal."Export of potatoes, onion, rice, wheat, flour, sugar, dal and eggs has been permitted to Maldives under bilateral trade agreement between India and Maldives during the period 2019-20 with effect from April," the DGFT said. It added that the export of these items to the Maldives would be exempted from any existing or future restrictions / prohibition.

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PROGRAMME

11.00hrs Onwards	:	Registrations
11.30hrs to 13.30hrs	:	Inaugural Session
13.30hrs to 14.30hrs	:	Lunch
14.30hrs to 16.00hrs	:	Business Session One
16.00hrs to 16.30hrs	:	Coffee Break
16.30hrs to 18.00hrs	:	Business Session Two
18.00hrs to 19.00hrs	:	Networking Over Cocktails
19.00hrs to 20.00hrs	:	India Nepal Cargo Awards
20.00hrs Onwards	:	Cocktails & Dinner

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